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**INVESTIGATION OF IMPROPER ACTIVITIES IN THE
LABOR OR MANAGEMENT FIELD**

HEARINGS
BEFORE THE
SELECT COMMITTEE
ON IMPROPER ACTIVITIES IN THE
LABOR OR MANAGEMENT FIELD
EIGHTY-FIFTH CONGRESS
FIRST SESSION

PURSUANT TO SENATE RESOLUTION 74, 85TH CONGRESS

JULY 31, AUGUST 1, 2, 5, AND 6, 1957

PART 10

**Printed for the use of the Select Committee on Improper Activities in the
Labor or Management Field**



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INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

WEDNESDAY, JULY 31, 1957

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES IN
THE LABOR AND MANAGEMENT FIELD,
Washington, D. C.

The select committee met at 10 a. m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senators John L. McClellan, Democrat, Arkansas; Irving M. Ives, Republican, New York; John F. Kennedy, Democrat, Massachusetts; Sam J. Ervin, Jr., Democrat, North Carolina; Pat McNamara, Democrat, Michigan; Karl E. Mundt, Republican, South Dakota; Barry Goldwater, Republican, Arizona; and Carl T. Curtis, Republican, Nebraska.

Also present: Robert F. Kennedy, chief counsel; Jerome S. Adlerman, assistant chief counsel; Paul J. Tierney, assistant counsel; Pierre E. G. Salinger, investigator; Robert E. Dunne, assistant counsel; and Ruth Young Watt, chief clerk.

The CHAIRMAN. The committee will be in order.

(Members of the committee present at the convening of the session were Senators McClellan, Ives, Ervin, Kennedy, Mundt, and Curtis.)

The CHAIRMAN. We are beginning a new series of public hearings this morning and the Chair desires to make a brief statement relative thereto.

From the inception of this committee, one of its primary objectives has been to investigate racketeer and criminal operations in the labor-management field.

This committee and its staff have been engaged in a long and intensive investigation into hoodlum activities in some unions. Hundreds of witnesses have been interviewed—union records have been examined where they could be found—many of these records have been destroyed and the facts had to be reconstructed in other ways, from bank accounts, employers' records, and so forth.

We have had excellent cooperation and assistance from the city, State, and Federal agencies. I wish to particularly thank District Attorney Frank Hogan and his staff in New York City for the assistance they have extended to the committee, and I commend him for the fine job he has done in prosecuting labor racketeers.

While I usually refrain from commenting on the nature of the evidence in advance of the hearings, a preliminary study of the evidence

gathered by the committee staff in this case, I believe, indicates that I should make some comment as this series of hearings begins.

In my judgment, the evidence will disclose that hoodlums and racketeers came into the labor picture with the aid and assistance of certain high level union officials.

I think before we are through with the hearings it will have been demonstrated, beyond any doubt, that these hoodlums were not in the field of labor for the benefit of the laboring man. It is apparent they were enabled to operate through the grant of union charters—and these charters were used as instruments for the commission of extortion from employers.

But no small part of the picture is the victimization of the union membership.

The initiation fees and dues of members constituted a steady source of income for these hoodlums and their henchmen who were put on the union payrolls. It provided an income for the mob that worked for Johnny Dioguardi and Antonio (Tony Ducks) Corallo.

The racketeers, in effect, sold out the union members and gained the cooperation of management in organization of its plants by giving them easy, or so-called sweetheart contracts which contained little or no benefit to employees.

It will be shown that the illiterate Puerto Rican and Negro laborers were misused by both management and labor. In some instances, the union contracts called for only the legal minimum wage which the employers had to pay anyhow under the law. In some of the plants, the employer paid the union dues and welfare payments without the knowledge of the employees. And the employees did not even know they were in the union. In other instances, employees gained little or nothing by being members of the union. The dues of these unions' members fattened the pocketbooks of racketeers and their henchmen.

To the hoodlum, the union charter is a private certificate to do business. The hoodlum often lays out his own money to finance the start of the organization and then later reimburses himself many times over from the "profits," that is, the initiation fees and dues.

One of the interesting facets we expect to show is that at times the hoodlums used Communists or former Communists because they were excellently trained organizers and knew all the tricks to get membership.

The unions gave the racketeers political power; they use the unions to extort money; they fleece their members; they have a strong impact on the economics of our industry and can make or break small employers by their tactics.

The question arises as to why certain labor leaders want racketeers as local union heads. The reasons are twofold:

First, racketeers, because of their ruthlessness, toughness, et cetera, are good organizers, can gain an increase in membership, can get employers to enter into contracts, can bring increased income to the internationals by the payment of per capita dues.

Second, with the help of the hoodlums who are loyal only to their labor bosses and not to the workingman, these labor bosses are enabled to get control of local councils and federations with the help of racketeer locals, and thus control a large geographical area.

For example, we expect in this instance there will be evidence to show that Mr. James Hoffa, through the help of racketeers, supported John O'Rourke, who sought and did obtain control over joint council No. 16 of the New York area, the biggest and richest labor area in the country.

The joint council is important because of its policymaking function, the centralization of power in the hands of a small group, its control over the grants of charters, and the right to strike, et cetera.

In addition, there will be evidence to show that Hoffa was going to tie up with the International Longshoremen's Association of New York, a union which had been kicked out of the AFL because of its control by racketeers.

Thus, with control of joint council No. 16 and the International Longshoremen's Association, Hoffa would have a stranglehold over the port of New York. The next step would be the entire eastern seaboard and the St. Lawrence seaway.

The economic factors involved are tremendous. Such power placed in the hands of persons affiliated with racketeers is a danger to the welfare of the Nation.

While we have labor-racketeering provisions in our laws, it appears they are not adequate to prevent racketeer control of unions. These hearings, we hope, will serve to throw a searchlight on racket operations, and inform not only the Congress but also the labor fraternity and the general public as to how the racketeers gain control of unions, and the evils that can result from such control. It is only by gathering the facts and by completely understanding the manner in which the racketeers operate that we can hope to provide legislation to prevent abuses.

Preliminary to hearing the witnesses, I will ask Mr. Kennedy, because of the complexity of the case, to present and explain some charts which have been made up under his direction.

As Mr. Kennedy proceeds to present these charts and explain them, so as to put the inquiry into its proper perspective from the beginning, his remarks will not be testimony but simply an implementation of this opening statement of the Chair, and therefore he will not be placed under oath.

Senator Ives. Mr. Chairman, I want to commend you for that excellent statement. It covers very thoroughly what we intend to do, and gives the public a good idea of what the problem is with which we are faced.

Now, before Mr. Kennedy explains his charts, I would like to ask him some questions, or at least one question.

How many years has this racketeering on its present scale been going on in New York City or New York State?

Mr. KENNEDY. I think many of the racketeers and hoodlums came into the union movement starting back in 1950, Senator Ives, but I think there has been racketeering in the labor movement up in New York for many, many years.

Senator Ives. How many years would you say?

Mr. KENNEDY. Certainly through the 1930's.

Senator Ives. Through the 1930's?

Mr. KENNEDY. Yes.

Senator Ives. The reason I asked the question, it happens that in 1938, and through 1946, I was chairman of the joint legislative com-

mittee in New York State on industrial and labor conditions. While now and then we had brought to our attention a serious racketeering situation which we went after and which ultimately was exposed and taken care of, we never had anything of the magnitude we are now investigating.

Do you think that in the 1930's it was that way?

Mr. KENNEDY. Certainly in 1935 through 1939 you had great difficulties in New York City.

Senator IVES. That is why the committee was set up.

Mr. KENNEDY. I think it lessened after Mr. Dewey's work in New York City.

Senator IVES. I think we helped to lessen it some.

Mr. KENNEDY. I am sure of that, Senator, and I think that since 1950, particularly after the drive was made on bookmakers by Tom Murphy in New York City in 1950, many of the people that had been in bookmaking turned to other sources of income, and a lot of them went into this labor-union movement and tried to get charters in order to organize employees.

Senator IVES. Then you really think that this racketeering movement in the labor movement itself has reached the proportions which it now has only since 1950?

Mr. KENNEDY. I would think so, and again with the exception of those years.

Senator IVES. I wondered if I had missed something over the years and I did not think I had.

Mr. KENNEDY. You are right, Senator.

Senator IVES. Thank you.

The CHAIRMAN. Are there any other Senators who want to make a statement?

Senator MUNDT. Mr. Chairman, I have an opening statement here which supplements one aspect that the chairman's statement touched upon.

I think this hearing is going to be somewhat different from any we have held up to date for an essential reason, which I shall discuss in this opening statement.

I do not know just what individuals are going to be involved in this hearing ultimately, nor which unions, but involved here is a mechanism which is fraught with peril to the American people, as I see it.

As these hearings progress, I think it will become evident to the American people that thousands of honest, industries workingmen and women in the New York City area have, because of a lack of democratic procedures in their unions, been subjected to dictatorial powers of a group of racketeers and unscrupulous labor leaders.

This is indeed a sad commentary on our way of life when the workingman must depend for his livelihood on the whims and fancies of some of these people who will be appearing before this committee. We in this country have always prided ourselves on our free society and on our system of free enterprise, but we most assuredly cannot say that these working people are truly free. It was not too long ago that the oppressed and downtrodden from foreign countries migrated to our shores to free themselves from the shackles of tyranny. However, we find that within the great framework of our free society, we today have a dictatorship rivaling the ones faced by these people before.

We as part of the free world, are highly perturbed, and rightfully so, about the Communist menace both from inside and outside our shores. Yet we shall be witnessing in the next few weeks a form of tyranny unfolding which in the long run offers to Communist conspirators an opportunity to paralyze our defense establishments and our offensive striking powers.

In fact, if we permit a situation to prevail whereby an unscrupulous cell of powerful hoodlums can tie up our transportation systems and close down our factories we will be making a mockery of our entire program of civilian defense.

And it is this point which I wish to emphasize for those following these hearings, because here I think is something different, and something unique, and something highly dangerous insofar as the freedoms of our country are concerned.

Foreign agents or Communist saboteurs by gaining control of this unchecked power to paralyze America could go far toward destroying our war potential and our capacity of self-defense. No multi-billion dollar program of overseas military aid could offset the dangers we nourish at home by permitting conditions like these to prevail.

It has been traditional in this country that we have always been apprehensive of an overconcentration of power in the hands of a few. Such unbridled power coupled with irresponsibility can lead only to disaster.

I ask that our fellow citizens envision with me as these hearings proceed, what a quick transfer from the hands of a few hoodlums into the hands of a few Communists for 30 dirty pieces of silver could mean to the entire country and our capacity to defend ourselves.

So, I for one, Mr. Chairman, hope that the Congress of the United States through these hearings will be enabled to recommend specific legislation to rectify once and for all those monstrous deficiencies in our laws which permit such conditions to exist, and which in this kind of world imperil all of those who love freedom.

The CHAIRMAN. Thank you, Senator Mundt.

Do any other Senators have any comment?

Thank you too, Senator Ives.

All right, with the statement previously made by the Chair, Mr. Kennedy, the chief counsel, will proceed to explain the charts that have been prepared by the committee so that we may get this problem in proper perspective as we begin the hearings.

IMPLEMENTATION OF OPENING STATEMENT BY ROBERT F. KENNEDY

MR. KENNEDY. As you have stated, Mr. Chairman, these hearings will be concerned with hoodlums and racketeers coming into the labor union movement. Now, we are going to trace during these series of hearings how they came into the labor union movement, and where they came from, and what their practices have been and what their effect has been on the individual member of the labor union, and what the effect has been on management or the industry, and what has been the effect on the community as a whole.

We feel that this is more than just a local problem, that it is a community problem. We have found that this same pattern is not unique with New York City, but that based on our preliminary study that we have made in other large communities throughout the country

that the same type of thing is going on this very day. We feel that it would be important if the racketeers or hoodlums took over a union, even if they took over a local union. It is important for the members of that union, and it is important for the industry in which these people work.

But we think it is far more important because the union that is involved in these hearings is the teamsters union, and it is not only the largest union, about 1.5 million members—but there is no organization, union or business, that has a greater effect on the community life in this country, a greater effect on our economy than the teamsters union. They control the means of transportation. They deliver the milk, and the food to homes, and they make pickups and deliveries to hotels and businesses.

If the teamsters get into the hands of the wrong people, then the economy of the country can suffer greatly.

I would like to show you a chart now concerning joint council 16 in New York City, which is the biggest ruling body of the teamsters in New York City, and it is the group about which these hearings will be centered.

The CHAIRMAN. What composes a council?

Mr. KENNEDY. Well, the council in New York City is made up of approximately 58 different teamster locals. There are approximately 125,000 teamsters in those 58 locals. When a local is chartered, it is obligated to affiliate with the joint council.

The CHAIRMAN. The council controls the charters, so when a new local is formed, it has to come to the council to get its charter and thus become associated with the council.

Mr. KENNEDY. No. What happens is the international grants the charter, but once the charter is granted the local union must affiliate with the joint council. It has been a procedure in the past that prior to the international granting the charter, they clear through the joint council, which is the ruling body in that particular area. That is one of the important things of the joint council.

I would like to stress, Mr. Chairman, and it is about the joint council that these hearings and the control of the joint council that these hearings will be concerned.

Now this is a map of the New York City. These are the docks here in red, and these are the airports. Newark Airport and LaGuardia and the International Airport. All of the goods that come in here to the docks must be trucked out of the docks. They have to be trucked to their various localities wherever those goods are destined for.

Into the port of New York, in 1955, came 191,551,291 tons of cargo. It is 20 percent of all of the cargo that comes into the United States; comes into the port of New York.

Once it gets to the ports it has to be trucked out.

So once again the truckers have control of that.

The goods that come into the various airports around New York City, Newark Airport, and LaGuardia Airport, and Newark International Airport, once they arrive there, once again truckers have to pick it up, and take the goods where they are destined.

The railroads for the most part, the main railroad that brings goods into New York City comes in here to Hoboken, and unloads there, and the goods are then barged across into Manhattan, and from there once again the goods have to be taken by truck and shipped to the

various areas, or if it stops here they have to be taken by truck and shipped north.

So the truckers have an important and integral part, a key position in the New York area through the fact that they have control over the shipping that comes into New York City and control over the airport. If that gets into the wrong hands, of course, there can be a stranglehold over New York City.

Now, controlling all of this, this operation, is joint council 16. That is the joint council that we were discussing, and that is the one that is made up of some 58 locals and some 125,000 members.

The joint council 16, Mr. Chairman, is the one that sets policy.

Now, these are surrounding—here are some of the matters that joint council 16 controls. For instance, the meat shipments: the joint council 16 with one of the teamsters locals having control over meat shipments, they have to look to joint council 16 for their policy.

They control fruit and vegetable shipments, drugstore deliveries, garbage trucks, newspaper trucks. The control of joint council 16 as far as the policy of all of these locals is concerned is paramount. Its importance is not only the fact that the joint council 16 controls trucking done by the 58 different locals in New York City, but they have a great control over all other unions in New York City.

The CHAIRMAN. Without objection, the Chair is going to order that chart printed in the record, at this point, so that we may be able to follow it and those who read the record may be able to follow and know exactly what we are discussing as you point this out on the chart.

(The chart referred to follows:)

SERVICES CONTROLLED BY JOINT COUNCIL 16, INTERNATIONAL BROTHERHOOD OF TEAMSTERS, NEW YORK, N. Y.

Air-express trucks	Department-store deliveries
Meat shipments	Auto salesmen
All trucking from ships (191,551,291 of cargo through New York in 1955)	Garbage trucks
Tobacco drivers	Lumber trucks
Egg packers and graders	Ambulance drivers
Furniture drivers	Milk deliveries
All trucking from airports	Breweries
Moving vans	Steel trucking
Warehouse workers	Newspaper trucks
Car washers	Jukebox installations
Drug and chemical industry warehouses	Service-station attendants
Magazine deliveries	Parking attendants
Bread deliveries	Railway express trucks
Armored-car drivers	All trucking from railroads
Clothing drivers	Fruit and vegetable shipments
Grocery drivers	Radio and TV equipment shipments
Ice-cream drivers	Sanitary-truck drivers
Gas and oil trucks	Dry-cleaning deliveries
Hearse drivers	Drugstore deliveries
Coal trucks	Some city employees
	Flower-market drivers

Senator MUNDT. I suggest that the counsel point to the most important of those delivery services, which causes me concern as a country boy, and that is milk deliveries, because without milk deliveries, New York City and all the babies die. The joint council controls milk deliveries.

The CHAIRMAN. Proceed.

Mr. KENNEDY. As I say, it is not only a question of the control of these various locals, and the trucking of these various locals, but the joint council has an important role in control over all other unions in New York City. Once again because it is a teamsters joint council.

As an example, if somebody wants, another union wants to strike a particular business, they can strike the business and say for instance there are nonunion people in the business. Those nonunion people will continue to go into that business in and out. The strike will not really have an effect, unless they can stop the trucking from going into that business, and stop the pickups and deliveries; if that happens that business will have to go out. It will be finished in 2 or 3 days and the strike will be a success.

Who is going to make the determination as to whether those trucks will go in and out, and whether the milk for instance will be delivered if a strike is being conducted at a hotel, or whether food and milk will be delivered to that hotel? Or whether there will be any pickups from that hotel?

That hotel could not operate if they did not get those deliveries, or a business could not operate unless there were pickups and deliveries.

It is the teamsters joint council that makes that decision. It is the teamster joint council which will decide and which does decide whether the teamsters will support a strike of another union. They are the ones that make the decision as to whether the pickup and deliveries will be made.

Senator KENNEDY. I think that point is tremendously important, not only the power that the teamsters have in the moving of material, but the effect it has on other unions.

Now, last February 2, Mr. O'Rourke, who I understand is head of the joint council 16, speaking from Miami, said, and I quote:

We are getting our brains beat out every day by these self-appointed reformers. You know we control what moves in and out of a plant or store or business establishment. If we honor a picket line, the strike is won. We get 30 to 40 requests a day for help, and I am going to be mighty choosy about who gets it.

In other words, Mr. O'Rourke is indicating that those who oppose racketeering or corruption in any unions, and those who oppose that sort of activity go on strike, Mr. O'Rourke is going to decide whether he is going to permit the teamsters to cross that picket line or not. Therefore, that gives Mr. O'Rourke and that local, that joint council rather, free power not only over the economic life of New York but over all of the other unions who might be completely unconnected with the teamster leadership, and who might be opposed to some of their activities.

Senator CURTIS. Mr. Chairman, I would like to ask the counsel a question.

Is there a standard form of contract used throughout the area of the joint council 16, the contracts with the employers?

Mr. KENNEDY. There is not.

Senator CURTIS. But are they all union-shop contracts, or contracts that have some form of compulsory membership clauses?

Mr. KENNEDY. It varies, Senator, and it varies in various shops, and various businesses. There is a move now on to go more and

more toward centralization, and having an areawide contract, but that does not exist at the present time.

Senator CURTIS. Some of those contracts are not union shops.

Mr. KENNEDY. That is correct, and we will develop some of that here after we get into it.

(At this point Senators Goldwater and McNamara entered the hearing room.)

Mr. KENNEDY. I think in connection with Mr. O'Rourke's statement, that he said every day they have somewhere between 35 and 40 requests for supports of strikes, so you can see that this is not just a theoretical problem. This is a problem that arises every day, and John O'Rourke as president of joint council 16 makes the decision every day as to whether they will support that strike, or not support it. If they support it, the strike is successful. And if they do not support it, the strike will fail.

Senator KENNEDY. The strike of other unions, you mean.

Mr. KENNEDY. Yes.

Now, this goes beyond these unions here, that the joint council controls directly. This is other unions that they control. That is why it has such a great effect on the community life in New York City.

Now, as I said at the beginning, we are concerned not only—I think it would be important if racketeers or hoodlums took over any labor union—but this is a fight and a struggle for the control of joint council 16 in New York City. During this same period of time, and I am talking now of 1955 and 1956, the struggle went beyond the control of joint council 16 to an alliance that was made between chiefly by James Hoffa and the ILA, the International Longshoremen's Association, which controls the docks here in New York City. That alliance was made on November 27, 1955, which was about the same time as the fight took place in New York City for the control of joint council 16.

The alliance continued into the middle of 1956.

At that time, during the middle of 1956, Mr. Hoffa made arrangements to loan some \$490,000 to ILA.

Now, the ILA had been ousted from the AFL by Mr. George Meany, on the grounds that they were racketeered. They were ousted back in 1953. And yet, this alliance was made with this racket-ridden union in 1955, and there were arrangements made in 1956 to loan this union \$590,000.

That, too, would have gone through except again the intervention of Mr. Meany.

So the control during this period of time could mean the lifeblood of New York City, and that is what we are getting into here.

If the teamsters are controlled or run by hoodlums or gangsters, or run by people who have an obligation to hoodlums and gangsters, or Communists, then the lifeblood of New York City, and really of the United States, can be cut off. It can be a strangulation process. We are going to get into mass extortions, misuse of power, and mistreatment of individual union members.

Senator MUNDT. Assuming that the joint council, Bob, is in the hands of racketeers and establishes this control, about how many racketeers would Moscow have to buy off in that way to control New York City?

Mr. KENNEDY. I have no idea, Senator.

Senator MUNDT. You have some idea of how many people there are on the joint council?

Mr. KENNEDY. My point is not so much that perhaps the joint council itself is run by racketeers or hoodlums, and we are going to bring out some information on that, but that these people have an obligation to gangsters and hoodlums, because they would not have achieved their position of power unless they had made a deal a year or 2 years or 4 years earlier with some hoodlum or gangster, in order to get to that position. I think that that is the risk.

Now, the same risk applies certainly as far as Communists are concerned. If you make an arrangement with a Communist that you are going to get to a position of power, if they do a favor for you, you in turn cannot turn your back on them in 2 years, and say, "Now I have gotten head of the union. If you come before a congressional committee and take the fifth amendment, I don't care; I am not going to turn my back on you. I am going to support you.

"If the congressional committee, or a grand jury, brings out information that you have been misusing union funds and misusing your position or have Communist affiliations, I will not turn my back on you. I have gotten to my position because of your help."

Senator MUNDT. It is precisely the point I am trying to make. Unless we believe we are living in a dream world, if we anticipate that there is any conceivable threat of an attack from Russia, it is so easy under this mechanism for the Communists either dealing with the racketeers or replacing them, to give orders which could paralyze the city at any given hour or any given day, preliminary so some military movement that the Communist government might be endeavoring to make.

We think in terms of national defense, and we think in terms of a war potential, of the greatest city in the world.

Unless you believe that the men of Moscow operate with brains of sawdust, they know it and they think about that. This provides them a tremendous opportunity to control that vast city without firing a shot.

Mr. KENNEDY. In that connection, in 1934 I believe, the Communists did recognize the importance of the teamsters, and gained control over the line drivers that operated out of Minneapolis, and actually gained control over them.

Senator MUNDT. Anyone who has read the Communist mandates, and studied the Communist literature, recognizes that one of the essential principles of the whole Communist movement in this country is to locate the positions of power, and to try to attain them. Obviously, this is a tremendously important position of power.

Mr. KENNEDY. Now, I was saying that there was control of this group by racketeers or hoodlums who can get to extortions and arrive at groups of extortions.

Mr. Chairman, during this period of time the district attorney, Mr. Hogan, was keeping a close watch and touch on all of these affairs. Under the State law he is allowed to put a tap on telephones. He put a tap on a telephone call which is of some importance and gives the committee a picture as to how some of these extortions take place. We have received a court order from the State of New York,

signed by a judge, giving this committee permission to play this telephone call as well as certain other telephone calls that we will play later in the hearings, and I think it might give you a picture as to how some of these extortions take place, or at least preliminary negotiations for an extortion, if we could play this telephone call at the present time.

The CHAIRMAN. Do you want to play it now?

Mr. KENNEDY. I would like to play it now.

The CHAIRMAN. How is this telephone call or this tapping obtained?

Mr. KENNEDY. It was obtained by Mr. Hogan, district attorney in New York City, under a court order. He received court permission to put the tap on the particular telephone, and the tap was obtained, and then they in turn turned it over to this committee under a court order from the State of New York.

The CHAIRMAN. The Chair will make this observation: This has been discussed in conference or executive session of the committee. The Chair satisfied himself, and I think other members of the committee who attended that session are satisfied that it would be perfectly proper for this committee to make use of this testimony. In some areas, and for some purposes wiretapping is illegal, but in New York, as Senator Ives I am sure is familiar—

Senator IVES. It has been legal in New York for many years.

The CHAIRMAN. Therefore the wiretapping that we shall use here, that we shall play, was obtained legally, and the court has granted authority to this committee to make use of it, and therefore I shall without objection, order printed in the record at this point the order of the court authorizing and directing this committee to make use of this as evidence in this hearing.

This will be printed in the record at this point, Mr. Reporter.

(The court order referred to follows:)

COURT OF GENERAL SESSIONS, COUNTY OF NEW YORK

IN THE MATTER OF INTERCEPTING TELEPHONIC COMMUNICATIONS TRANSMITTED
OVER EXETER 2-0219 AND EXETER 2-0220

It appearing from the affidavit of Alfred J. Scotti, Chief Assistant District Attorney of the County of New York, sworn to on April 30, 1957, that it is in the public interest to furnish to the United States Senate Select Committee on Improper Activities in the Labor or Management Field, of which the Honorable John L. McClellan, of Arkansas, is Chairman, and Robert F. Kennedy is Chief Counsel, certain transcripts and information with respect to the interception of telephonic communications during the periods August 5, 1955, to February 1, 1956, and February 3, 1956, to August 1, 1956, which were transmitted over the telephone instruments designated as EXeter 2-0219 and EXeter 2-0220, listed in the name of Local 405, Retail Clerks International Association, a labor organization affiliated with the American Federation of Labor, located at premises 5 Court Square, Long Island City, County of Queens, for the use of said committee in connection with and in the course of its said investigation, it is

ORDERED, that the District Attorney of New York County be, and he hereby is, authorized and empowered to furnish said Committee with the transcripts and information with respect to the interception of telephonic communications transmitted over each of the above identified telephone instruments during the periods set forth hereinabove, for the use of said Committee in connection with and in the course of its said investigation.

Dated, New York, N. Y., July 1, 1957.

(Signed) J. C. G. S.

COURT OF GENERAL SESSIONS COUNTY OF NEW YORK

IN THE MATTER OF INTERCEPTING TELEPHONIC COMMUNICATIONS TRANSMITTED
OVER EXETER 2-0219 AND EXETER 2-0220

STATE OF NEW YORK,
County of New York ss.:

Alfred J. Scotti, being duly sworn, deposes and says:

I am the Chief Assistant District Attorney in and for the County of New York and in charge of the Rackets Bureau of the District Attorney's Office.

This is an application for an order permitting the District Attorney of New York County to furnish to the United States Senate Select Committee on Improper Activities in the Labor or Management Field, of which the Honorable John L. McClellan, of Arkansas, is Chairman, and Robert F. Kennedy is Chief Counsel, certain transcripts and information with respect to the interception of telephonic communications transmitted over EXeter 2-0219 and EXeter 2-0220, listed in the name of Local 405, Retail Clerks International Association, a labor organization affiliated with the American Federation of Labor, located at premises 5 Court Square, Long Island City, County of Queens, during the periods hereinbelow set forth.

On January 30, 1957, the Senate of the United States duly adopted a resolution by which the said Committee was authorized to investigate improper activities in the labor or management field, with the purpose of obtaining information upon which the United States Senate could consider the advisability of adopting new legislation or modifying or amending present statutes.

The said Committee thereafter conducted both public and private hearings with this end in view, and has subpoenaed and interrogated numerous witnesses from various localities and States of the United States.

The Committee is now planning to extend its investigation to the area of New York State and in this connection has issued, or contemplates the issuance of, a subpoena to Max Chester, a former official and business representative of the said local, for interrogation in connection with said investigation.

In August 1956, and again subsequent to January 30, 1957, the date the said resolution above referred to was adopted, said Chief Counsel of said Committee requested that this office furnish him, for the use of the said Committee, all transcripts and information reflecting the interception of all telephonic communications transmitted over the telephone instruments hereinabove described.

The records of this office reveal that the telephonic communications transmitted over said instruments were intercepted during the periods hereinbelow set forth. All of said interceptions were pursuant to orders issued by Judges of the Court of General Sessions under Section 813a of the Code of Criminal Procedure.

The dates during which the said telephonic communications were intercepted were August 5, 1955, to February 1, 1956, and February 3, 1956, to August 1, 1956.

It is respectfully submitted that the District Attorney of New York County be authorized, in the public interest, to furnish to the United States Senate Select Committee on Improper Activities in the Labor or Management Field the said transcripts and other information for the use of said Committee in connection with and in the course of its said investigation.

No previous application has been made for the order herein requested.

(Signed) ALFRED J. SCOTTI.

Sworn to before me this 30th day of April 1957.

(Signed) KATHRYN A. DONOHUE,

Notary Public, State of New York, No. 31-0993100. Qualified in New York County.

Commission expires March 30, 1959.

Senator McNAMARA. Before you go into the recording—

Do I understand that Senator Goldwater had a question? I would be glad to yield, Senator, if you want the attention of the Chair, before I ask a question.

Senator GOLDWATER. What I have can wait.

The CHAIRMAN. Just a moment. We will put the others in later.

All right.

Senator McNAMARA. Mr. Chairman, we have been given a pretty good picture of one side of the trucking industry—I would like the attention of the chief counsel, if I may have it.

Mr. KENNEDY. I am sorry.

Senator McNAMARA. We have a pretty good picture of one side of the trucking industry in the New York area, and you indicate the Joint Council No. 16 made up of 58 locals, and 125,000 union members, is the labor side of the picture. How about the management side of the picture? Do they have an organization comparable to the joint council?

Mr. KENNEDY. Not with the degree of control, Senator. There are some associations of truckers in New York City.

Senator McNAMARA. Do you have the names of those associations?

Mr. KENNEDY. We have one: The Empire Trucking Association.

Senator McNAMARA. Does that embrace this whole area?

Mr. KENNEDY. I will have to check that. We don't know in what area. It is in New York City, and we don't know in what area the Empire Trucking Association is.

Senator McNAMARA. Ordinarily, where we find joint councils of employees, we find comparable organizations of management. If there is extortion, and if there is racketeering, ordinarily there are both sides involved. I think when we go into a situation, we ought to get both sides of the picture so that we will know who we are dealing with and what we are dealing with. I think we got half of the picture of the trucking industry pretty well disclosed here this morning, and there is certainly the other half that we ought to have more information on.

Mr. KENNEDY. That is fine, Senator.

The CHAIRMAN. Are there other questions or comments before we proceed?

Mr. KENNEDY. I might just say about this recording, it involves a gentleman by the name of Max Chester, and he was formerly president of local 227 of the UAW-AFL, which we will go into at a later time.

He was involved in a bribery charge in that union and left it. He then established or went to work for local 405 of the retail clerks. It was as an officer of local 405 of the retail clerks that this telephone conversation took place.

I might say that subsequently to this telephone conversation, the district attorney moved in on Mr. Chester and he was indicted and pleaded guilty to taking a \$2,000 bribe.

The CHAIRMAN. Are you ready to proceed with the recording?

Now, it is understood, and am I correct, that this recording and this wire recording was obtained from the State officials of New York?

Mr. KENNEDY. That is correct.

The CHAIRMAN. All right.

(The following recording was played.)

MAX CHESTER. Mr. Wallau?

WALLAU. Yes?

CHESTER. Mr. Wallau, this is in regard to your slipper place.

WALLAU. Regard to what, sir?

CHESTER. This is regard to your shop. This is local 405, Mr. Chester speaking, business manager. We have an organizational campaign going on around your area in regard to your shop. Are you listening?

WALLAU. Yes, sure.

CHESTER. Now, before we start doing any agitation, we always like to give the employer the courtesy of sitting down and talking, and maybe for the purpose of having a fine conference and getting along together——

WALLAU. What type of union do you run?

CHESTER. Well, we have a catch-all charter, Mr. Wallau, and we are the AFL.

WALLAU. Anything and everything in what area?

CHESTER. We organize the unorganized. Now, I don't want to start any agitation because we did it in a few other places and it only cost the employer money and he did sign anyway. Now——

WALLAU. You already said that, my friend, I just have—I just have to ask a few questions to find out just what the situation is. I'm not trying to be smart about it; I know nothing about it.

CHESTER. Well, there's no use in me discussing matters over the phone. We couldn't come to any conclusion one way or the other in that respect anyway.

WALLAU. Then, what'll you suggest?

CHESTER. Well, I suggest to have a conference; sit down in person and talk.

WALLAU. Well, that would be fine. We have no objection to that.

CHESTER. When would your nearest time be, before I really start any agitation——

(Subdued laughter heard over the phone.)

CHESTER. So, you're laughing. It's a——

WALLAU. It's the third time you used that word.

CHESTER. Well, because I'll tell you why we did. We did have a strike out with Gustav, and we signed them up the same day. There's no reason why we should go on that way again. It only costs the person money for no reason at all. Why isn't this and that——

WALLAU. Yes, well, I haven't any idea what——

CHESTER. You heard of Gustav; didn't you?

WALLAU. I know the name.

CHESTER. Yeah; well, I guess so——

WALLAU. You see, I haven't any idea whether the standard that your local sets up would be agreeable to our men or, or——

CHESTER. Oh, they'll be agreeable to your men, don't worry about that. The standard that we set up——

WALLAU. Because we run a pretty nice shop——

CHESTER. We know that; everybody runs a pretty nice shop but the idea is the envelope—is it nice?

WALLAU. I beg your pardon?

CHESTER. Is the envelope nice?

WALLAU. Oh, yes.

CHESTER. Well, we try to make the envelope better.

WALLAU. Well, I'm sure you do.

CHESTER. (Sarcastic laughter.)

WALLAU. I'm sure you do. I understand that phase of the operation, absolutely. May I have your name?

CHESTER. Mr. Chester.

WALLAU. Chester?

CHESTER. C-h-e-s-t-e-r.

WALLAU. And how can I get in touch with you?

CHESTER. Well, I'm right now in my office and it was very imperative that I call you because I'll tell you why. My men, we're going to start operation in your place down somewhere around 20th Street where you do your shipping; is that correct?

WALLAU. We certainly do——

CHESTER. So I told them to stop it until I speak to the owner of the shop.

WALLAU. Well, I can understand that, too, well [laughing as he talks].

CHESTER. So, we know all your detail; how you operate from one place to another, so, I mean I'm trying to curtail a lot of things so, in other words, you could help both sides of the picture.

WALLAU. Well, that sounds very nice of you, Mr. Chester. Now, what is your proposal? How soon do you feel it is imperative that we get together?

CHESTER. Well, it's imperative that we get together momentarily. I'll be honest with you.

WALLAU. Well, momentarily——

CHESTER. You know——

WALLAU. Is it 24 hours, 48 hours?

CHESTER. Momentarily could be within an hour or two. It don't have to be 24 or 48. Am I speaking to Alex Wallau himself?

WALLAU. You are speaking to Wallau, Jr.

CHESTER. Wallau, Jr. Fine. Don't tell me Dad is somewhere in the Tahitian Islands.

WALLAU. No; he's actually not.

CHESTER. Oh, I see.

WALLAU. He's not in today, however.

CHESTER. You make decisions yourself, or do you have to—

WALLAU. I've been known to make 1 or 2.

CHESTER. Huh?

WALLAU. I've been known to make 1 or 2.

CHESTER. Oh, you've been known to make 1 or 2. Were they good or bad?
[Laughter.]

WALLAU. [Inaudible.]

CHESTER. Well, that's all right; you're batting pretty good. Well, what could I tell you outside of, it's, it's important?

WALLAU. Is, is, is the fact that—

CHESTER. Mr. Wallau—

WALLAU. That I'm hesitating has nothing to do with the—

CHESTER. That's all right; it's probably something that hit you right away and you want to collect your—

WALLAU. No, no. I want to work it into a very busy schedule. I realize the importance of it. We're quite—

CHESTER. Well, I'm pretty busy too—

WALLAU. Conversant with these problems. We are—I assure you over the years they come up a number of times, and it's no different today than it has been. I know that you'll be very fair and very nice to talk with and I want to arrange it as quickly as I can. However, we're not accustomed to being pushed into things—

CHESTER. Well, I'm not pushing you; you asked me is it imperative—

WALLAU. Yes; it is imperative to you. On the other hand—

CHESTER. Listen a minute. The reason why I called you; I shouldn't even of told you this because I feel, well, on my own I took it upon myself—which I am the boss here—and I took it upon myself and told these men to stop doing anything until I spoke to the owner, well, whoever is in charge. I thought I'd give you that courtesy—

WALLAU. Mr. Chester, but that, that's usual union practice. I mean you people have a—

CHESTER. No; they don't. The usual union practice is to go out and picket and come what may. The boss or someone contacts the union or somehow or somebody representing the boss will—

WALLAU. Well, then, let's say that you're doing that with me. We approve. We understand because we've had some—some understanding of these things. Naturally, you have to keep abreast of it.

CHESTER. Well, that's the best way—

WALLAU. Sure, that's how we've been able to operate and keep everybody reasonably contented with the pay envelope to which you refer. [Both men laugh.] Supposing, although I admit that even with the union scales nobody is completely happy with their pay envelopes. That's human nature—

CHESTER. Now there, in other words, you're trying to regard things as an exaggeration; is that right?

WALLAU. We do everything we can. We do the best we can for everybody but whether or not we're doing it according to your standards has yet to be established. We want to talk to you and figure that out. It would be very interesting to do so—

CHESTER. Off the record, could you tell me about how many employees you have?

WALLAU. No; but I'd like to do that when we sit down together and see whether it is worth your while or not to even fool around with us; we may be too small to—

CHESTER. It could be, it could be eighty, a hundred, three, four, or a thousand; it doesn't make a particle of difference—

WALLAU. Well, that's what we'll figure out when we get together with you. I feel that it could be done after lunch tomorrow if you feel that that's agreeable.

CHESTER. Well, I have 2 appointments; 1 at 1 o'clock and 1 at 11.

WALLAU. Why don't we—

CHESTER. Could you make it at 9:30—9:30 in the morning?

WALLAU. Well—

CHESTER. I'd only take up about 20 minutes of your time. That's all it usually takes me.

WALLAU. Yes; well, I'll tell you——

CHESTER. I'll give you all of the fundamentals——

WALLAU. Morning mail at 9:30 in the morning.

CHESTER. Well, suppose we make it at 10 then?

WALLAU. Let's make it at 10 o'clock.

CHESTER. Ten o'clock. In other words, I stopped everything just today.

WALLAU. Ah——

CHESTER. But my men will be right at the situation till after we finish talking.

WALLAU. Fine. You keep them there, Mr. Chester.

CHESTER. All right.

WALLAU. See you at 10 o'clock.

(Phones laid down.)

Senator GOLDWATER. Mr. Chairman, may I ask a question?

Mr. Kennedy, is that not a threat of organizational picketing?

Mr. KENNEDY. Yes; the employees of this plant were not contacted. This was the conversation that takes place and the employees were not consulted as to whether they wanted to belong to a union.

This was a threat of putting a picket line outside of the establishment and trying to force the employer then to have his employees sign a union contract.

Senator GOLDWATER. The employees of this Wallau Co., is that the correct name, were not organized at this time?

Mr. KENNEDY. They had not been approached even at the time Max Chester had this telephone conversation and after Max Chester went to visit Mr. Wallau on the following day, a \$2,000 payment was made to Max Chester and those employees were never organized or never even approached after that and the shop remained unorganized.

Senator GOLDWATER. Who made that payment?

Mr. KENNEDY. Wallau, the owner's son made the payment.

Senator GOLDWATER. Mr. Wallau gave in and paid \$2,000?

Mr. KENNEDY. Yes, sir; and Mr. Max Chester pleaded guilty to extortion and receiving the \$2,000 payment and he is awaiting sentence at the present time.

Senator GOLDWATER. At no time during these proceedings were the men consulted as to whether they wanted to join the union or become organized?

Mr. KENNEDY. That is correct.

Senator GOLDWATER. Is this a typical pattern that we are going to see throughout these particular hearings?

Mr. KENNEDY. This is a pattern, not the organized pattern that is used by labor unions, but it is a pattern that is used by certain of these gangsters and hoodlums in New York City.

It is these people that we are going to show, it is these people that operate these unions that use these practices that gave the votes and gave control of the joint council 16 to the group that controls it now.

It is these people that were called upon for assistance when the joint council 16 vote was in question.

Senator GOLDWATER. When I said these hearings, I mean this particular set of hearings and I realize this is not general union practice.

Now, I have one other question that might be related. I have not been able to ask you about this before. To allow this type of gangster operation to go on in a relatively small area of Manhattan, has it been necessary to receive the cooperation of local governments?

MR. KENNEDY. I do not think so. We have no evidence of that. I do not think during our investigation that we have found anyone that has done more in a community to rid the community of gangsterism than Mr. Hogan and his office. Without their cooperation and help, we would not even be able to begin to present any kind of a hearing.

We have not received any information that there have been any other law or Government authorities that have assisted these people. We do not have any information about that.

SENATOR GOLDWATER. Have you discovered any evidence of violence in picketing that has been condoned by, say, the local police department?

MR. KENNEDY. No, and in fact I would not think there was a great deal of violence in picketing in New York City, as far as this procedure is concerned. That is not the procedure that is followed.

Violence and the type of terrorism that existed before, it does not exist in New York City like it exists in certain other areas. They are far more refined in New York City.

SENATOR GOLDWATER. That is questionable, but actually, with the hold that these people have on this island, violence is not needed. I recognize that. This teamster organization in Manhattan can effectively close that city down. They can do it on their own wishes, or they can do it at the request of those who want to strike. There is probably not a place in the United States that is so susceptible to the threat of union power as exercised in the wrong way as Manhattan is; would that be correct?

MR. KENNEDY. The potential certainly exists there, Senator.

SENATOR GOLDWATER. They could effectively stop the traffic in the tubes, and they could effectively stop the traffic over the bridges and there could be no food and no milk or supplies brought into the city for any period of time that the teamsters wanted to hold it; is that correct?

MR. KENNEDY. That is correct, Senator. I think a teamster official recently said, showing the control over human beings:

We drive the taxi that brings the woman to the hospital to have her baby. When that baby grows up and becomes a man and dies, we drive the hearse that brings that person to the graveyard. In between we deliver an awful lot of groceries.

SENATOR GOLDWATER. Would I be safe in assuming that when we have finished this particular set of hearings on New York, that the pattern of union power, the sovereign power that now is vested in the unions, will be brought more and more to the light of the American people, and through the improper actions of this particular set of unions we can point out what has been developed here so far and which I feel will be developed more and more, the fact that we have one segment of our society, if you want to call it that, or one segment of our economic life that is operating completely without the bounds of any control of Federal or State laws.

I think these hearings, even if they produce a long line of fifth amendments, will do a lot of good because it will point up to the American people the dangers that are inherent in power.

I do not care if it is in management or labor. Would you agree with that?

MR. KENNEDY. Any conclusions will have to be made by the members of the committee.

The CHAIRMAN. The Chair would like to ask one question to get this in its proper perspective. I do not understand that the testimony or the recording is regarded or intended to imply that all labor unions operate in that fashion.

It is simply to contradistinguish between the legitimate union organizing and those who are crooks that get control and use the power of the union for extortion. That is what happened in this instance.

Mr. KENNEDY. It is a relatively minor group, Mr. Chairman. We have spent a great deal of time in New York City.

Senator IVES. While we are on this subject, I want to put in a word for labor organizations in New York State. The vast majority of them are very high grade, run by leaders who are perfectly honest. They are not in this category at all.

So I hope the general public would not get the idea that this is representative of organized labor in New York State. It is not at all.

Senator CURTIS. Mr. Chairman, I would like to ask Mr. Kennedy, in reference to this telephone conversation that we have just gone through, it is apparent that Mr. Chester did not represent any of the workers in Mr. Wallau's plant; is that correct?

Mr. KENNEDY. The workers in the plant had not even been approached, Senator.

Senator CURTIS. Now, is there any law that you recall dealing with an individual holding himself out as a bargaining agent when in truth and in fact he does not represent any of the workers at all, or his organization?

Mr. KENNEDY. I am sorry. Will you repeat the question?

Senator CURTIS. Is there any law making it an offense for someone to hold himself out as a bargaining agent when he does not represent any of the workers?

Mr. KENNEDY. As I understand it, there is no law to prevent a picket line being placed in front of a business.

Senator CURTIS. I understand that. But what I mean is for an individual to talk terms, or, in other words, to negotiate with management when he does not represent the workers inside.

Mr. KENNEDY. There is no law at the present time.

Senator CURTIS. I would just want to say this in reference to the observations made here, that I concur in what the chairman has said and the distinguished Senator from New York, about the fact that only a very small percent of the unions are in the hands of hoodlums and bad characters.

But I do not believe that the problem we are wrestling here with is solved when we merely drive them out of the labor-union movement.

Congress is responsible for having laws that lay too much power in some places and make it an invitation for bad men to seize that power. We have not given enough protection to the people who do the work, the rank and file of the union members.

The CHAIRMAN. I would like to ask one other question to get the record straight. Was Mr. Chester at the time, in fact, an official of any union?

Mr. KENNEDY. Yes, he was.

The CHAIRMAN. What was his official position?

Mr. KENNEDY. He was secretary-treasurer of the Retail Clerks Union.

The CHAIRMAN. That is what it showed, but it was not in the record. He definitely was secretary-treasurer?

Mr. KENNEDY. Of local 405.

The CHAIRMAN. That was not a teamster union?

Mr. KENNEDY. No; it was not.

Senator McNAMARA. Following up the question I asked before about organization of employers, do you find that this man Wallau was a member of any association of trucking owners?

Mr. KENNEDY. He did not have a trucking concern, Senator.

Senator McNAMARA. What was the nature of his business?

Mr. KENNEDY. He made slippers.

Senator McNAMARA. I see.

The CHAIRMAN. He manufactured them or just sold them?

Mr. KENNEDY. He manufactured slippers.

Senator IVES. How many employees did he have?

Mr. KENNEDY. We do not know, Senator Ives.

Senator IVES. That question arose, you know, during their conversation and I was curious.

Mr. KENNEDY. I do not know the answer to that.

The CHAIRMAN. All right, proceed.

Mr. KENNEDY. Now, to understand this picture as far as what occurred in joint council 16, we have to go back to the year 1950 and the union called a UAW-AFL.

The CHAIRMAN. That union is still in existence?

Mr. KENNEDY. It is not now, Mr. Chairman, since the middle of 1956, as the Allied Industrial Workers of America, and it has its headquarters out in Los Angeles, Calif.

The CHAIRMAN. The name of it has been changed, but it has been a continuing labor organization?

Mr. KENNEDY. That is right.

In the late 1930's, the UAW split into 2 parts, 1 CIO and 1 AFL. This is the UAW-AFL and it had that name until the middle of 1956, when after the merger it was ruled that they should change their name and they changed their name to the Allied Industrial Workers of America.

They have approximately 80,000 members, in 318 locals throughout the United States and their headquarters are in Los Angeles, Calif.

Senator McNAMARA. So we might follow this more closely, Mr. Chairman; what is the relation now with this situation to the trucking industry that we outlined at the start?

Mr. KENNEDY. Once again, a great number of the UAW unions, UAW-AFL, were amalgamated locals. They went to organize the unorganized. Their connection with the truckers and the teamsters I will show with another chart and their relationship of this UAW-AFL and the teamsters and the joint council 16 will be developed as we go along.

Senator McNAMARA. Will you give me the local number that we are dealing with in this instance?

Mr. KENNEDY. As we go along, I will do that. The joint council 16 of the teamsters is the only one that we really discussed.

Senator McNAMARA. But this fellow represented himself in conversation that we just heard, not as an official of the joint council, or did he?

Mr. KENNEDY. My only point in that was in a sample, a classic example of what can happen if racketeers or hoodlums take over a labor union.

He has a relationship with Johnny Dio and the UAW-AFL.

Senator McNAMARA. That will be developed later.

Mr. KENNEDY. He was kicked out of there for bribery. We have this telephone conversation when he was convicted of extortion and it was a classic example as to what can happen. Max Chester is of interest to us because of his relationship with Johnny Dio.

As I say, this is going to relate to the international union of the UAW-AFL, and they began their operations in New York City in September of 1950.

At that time there was a man in New York City by the name of Sam Zackman, who had been in the labor movement. During the 1930's he had been a Communist and he remained a Communist until sometime during the 1940's.

He fought in Spain and he was a commissar with the army in Spain, fighting with the Communists. He came back and he was in the labor union movement and during the early part of 1950 he was attempting to get a charter, so that he could start organizing the unorganized.

We had a conversation with a Sam Berger and Zackman had this conversation with Sam Berger at this period of time and he said, "I am looking around for a charter."

Sam Berger at that time was manager of local 102 of the ILGWU and that is the International Ladies' Garment Workers Union. Local 102 of the Ladies' Garment Workers Union does the shipping in the garment district.

There has always been a dispute between the ladies' garment workers and the teamsters as to who should have that jurisdiction because this is actually trucking jurisdiction. But the International Ladies' Garment Workers have always controlled that.

Sam Berger has been the manager of that union. Sam Berger had been a friend of long standing with Johnny Dio. When he was approached by Sam Zackman, he then had some conversations with Paul Dorfman who is a well-known character or figure from Chicago, Ill., and has had a close relationship with the old Capone mob.

In turn they approached a man by the name of Dave Privian and they all went to see Tony Doria, Anthony Doria, this gentleman here, out in Minneapolis or Milwaukee where the headquarters of the UAW-AFL was at that time.

They spoke to Doria and he agreed to grant a charter to Sam Zackman and the charter members at that time were Sam Zackman, Paul Dorfman, and I might say as far as Paul Dorfman is concerned that his son now handles the insurance for the central conference of teamsters.

The CHAIRMAN. At this point, since you are referring to another chart, I will order the chart printed in the record at this point so that those who read the record may follow it.

(The chart is as follows:)

Mr. KENNEDY. The original charter members—there were approximately 16, the ones that were interested—were Sam Zachman, Paul Dorfman, Dave Privian, who is now the attorney for the central conference of teamsters, which is Mr. Hoffa's group, and Berger, Dorfman, and Zackman.

Senator IVES. May I interrupt you there? I notice the name of John Dioguardi up there on top. That is Johnny Dio, I take it?

Mr. KENNEDY. That is correct.

Senator IVES. Under the United Automobile Workers, AFL, New York. Is he the controlling force in that setup with all of these people you are mentioning now, directly under him?

Mr. KENNEDY. I am only here at the present time, which is September 19, 1950, when the charter was originally granted.

Senator CURTIS. Will you tell us what that charter was?

Mr. KENNEDY. It was a charter to organize, an amalgamated charter and it was the first time the UAW-AFL came into the New York City area. It was to organize the unorganized, any kind of a shop.

Senator CURTIS. It gave the holders of that charter a right to go any place and organize a union?

Mr. KENNEDY. Any group of employees.

Senator CURTIS. It was not a charter to a particular organization.

Mr. KENNEDY. No.

Senator CURTIS. It was sort of a blanket right for them to go out and organize?

Mr. KENNEDY. That is right. A week after this charter was granted, which is September 18, 1950, Johnny Dioguardi came on the scene. There is some evidence he was involved in this right from the beginning, but they wanted to keep his name off the original charter.

His name does not appear on the original charter granted on September 19, 1950, but within a week, they started to make arrangements, led by Sam Zackman, and they started to make arrangements to get a headquarters.

Johnny Dioguardi was introduced and he said he would finance the operation. He would finance the headquarters and he would put his money, his own personal money into this operation. He was interested in organizing the unorganized.

At the same time that he came into the labor union movement, Johnny Dioguardi ran a number of dress concerns, and a number of them in New Jersey and Pennsylvania, which were not unionized and which he had kept nonunion.

Subsequently, he sold one of these dress firms and while he was working for local 102 he sold this dress firm to another person and charged \$5,500 over the price with the understanding that that \$5,500 was paid in order to keep that shop from being organized.

The CHAIRMAN. Now, is Dio identified with that union at the time?

Mr. KENNEDY. Yes, he was identified as far as financing the operations of the union and as far as working out of the union headquarters. He had not become an official member until 1951.

The CHAIRMAN. But he was working for that union?

Mr. KENNEDY. And he was financing it.

The CHAIRMAN. He was financing that union?

Mr. KENNEDY. That is correct.

The CHAIRMAN. When he sold his own plant, he added \$5,500 on the sale price to grant them the privilege to remain unorganized, just as he had operated the plant.

Mr. KENNEDY. That is correct.

The CHAIRMAN. Did he do that in the name of the union, and did he have authority to do it in the name of the union, or was that just an individual act?

Mr. KENNEDY. It was just an individual act. Local 102 of the UAW would not have had jurisdiction over that plant anyway. But he had contacts and power that he could keep this plant from being organized.

Senator IVES. Where did he get his money to finance the union?

Mr. KENNEDY. That he has refused to say, where he got the money.

Subsequently, he put in at least \$25,000 in this union, local 102 and local 102 which started an organization of the taxicabs in 1952.

Senator CURTIS. I am not sure that I understand the connection of the International Ladies' Garment Workers Union to that 102 local that came into being in September of 1950.

Mr. KENNEDY. The only connection, Senator, is that Sam Berger was manager of local 102 of the ILGWU. That was his operation. For some reason, unexplained, he came in and got a charter for Sam Zackman, of local 102 of the UAW, AFL. At that time he was a close friend of Johnny Dio.

Within a week of that, a week of the time the charter was granted, Johnny Dio came into the operation of local 102 of the UAW, AFL. There is a question as to why Sam Berger of the ILGWU even got involved in this kind of an operation.

Senator CURTIS. Does Mr. Dubinsky enter into it at all?

Mr. KENNEDY. Not that I know of.

Senator IVES. May I ask whether you consulted Mr. David Dubinsky on this?

Mr. KENNEDY. I did.

Senator IVES. What did you find out from him?

Mr. KENNEDY. He was very concerned at the entrance of Mr. Berger into this operation. He, at that time, said that he had reprimanded Sam Berger for doing that and subsequently, Berger appeared before a grand jury in New York City and after he appeared before the Senate Subcommittee of Investigations down here he took the fifth amendment on some questions, and he was suspended from his job.

Senator IVES. I have known Mr. Dubinsky for a great many years. He enjoys a very enviable reputation in New York City and as a very outstanding citizen of New York. I think you can rely on his testimony.

Senator McNAMARA. Apparently, the main character in this—

Mr. KENNEDY. Operation?

Senator McNAMARA. That is a good word; I will accept that—is one Johnny Dio. He enters the picture in the first place not from the labor side, but from the management side.

Mr. KENNEDY. That is correct.

Senator McNAMARA. He owns one kind of business.

Mr. KENNEDY. He had been sent to jail in the late 1930's by Tom Dewey and Tom Dewey described him at that time, and he said—Johnny Dioguardi is a young gorilla who began his career at the age of 15.

After he was convicted, he was convicted as a "head knocker" for a group of truckers, for truckers associations. He was responsible for the strong-arm tactics of bringing truckers into this association. He and his uncle, James Fumari. This was in the late 1930's and both of them were sent to Sing Sing at that time.

After he got out of Sing Sing, he went into various operations, including the control and running of dress shops. These were non-union dress shops.

Senator McNAMARA. He was originally, apparently, hired as a hoodlum to resist the labor organization.

Mr. KENNEDY. That is right.

Senator GOLDWATER. If I might, Mr. Chairman, ask Mr. Kennedy this question:

Some years ago there was a character in New York by the name of Fay, I believe that name is right. He wound up in Sing Sing. He was visited during his stay in Sing Sing by a number of individuals connected, I imagine with management and with labor.

Does Mr. Fay's name show up any place in these operations?

Mr. KENNEDY. No, it does not.

Senator GOLDWATER. That is sort of surprising.

Mr. KENNEDY. I would not say Mr. Fay's name does not show up in other investigations we are conducting in New York City, but he does not show up in this particular investigation.

Senator GOLDWATER. I am glad to hear that. I did not want him to feel neglected.

Mr. KENNEDY. He won't be.

The CHAIRMAN. Proceed.

Mr. KENNEDY. So they started their operations as an amalgamated charter on September 18, 1950. Johnny Dio came into the picture shortly afterward.

On April 23, 1951, some 6 months later, the second charter was granted to local 102 and the first one was withdrawn and the second one was granted and at that time Johnny Dioguardi's name actually appears on the charter.

Johnny Dioguardi, as I said, was financing the operations of local 102 at this time. More and more, as it moved along, he was taking control of the operations from Sam Zackman.

Subsequently, Sam Zackman was kicked out of the union, and Johnny Dioguardi took control completely.

The CHAIRMAN. Why was it necessary to grant another charter?

Mr. KENNEDY. Well, the only explanation that we have, Mr. Chairman, is the fact that they wanted to legalize Johnny Dioguardi's operations in the charter. That is in the control of local 102. His name had not appeared in the original charter and in the second charter his name did appear.

The CHAIRMAN. Then he became officially identified with the union?

Mr. KENNEDY. Yes. That is in April 23, 1951.

Senator McNAMARA. Before you go on, I missed a link here somewhere in the picture, and I am sure that you have stated it, but I wish you would repeat it, the connection that the International Ladies' Garment Workers had with this and who was the man.

Mr. KENNEDY. The man by the name of Sam Berger—

Senator McNAMARA. Was he an officer of the International Ladies' Garment Workers?

Mr. KENNEDY. He was an officer of the local and he managed local 102 of the ILGWU.

Senator McNAMARA. This is the same local, or is this another local 102?

Mr. KENNEDY. Local 102 of the UAW. They took the same number as Sam Berger's local, ILGWU, and this is not related to ILGWU.

Senator McNAMARA. That straightens me out.

Senator CURTIS. Did they take over the same operations?

Mr. KENNEDY. No, they did not.

Senator CURTIS. Did Mr. Berger resign from the garment workers union?

Mr. KENNEDY. He resigned in 1957 and he has been since indicted by the district attorney.

Senator CURTIS. But during this time that he was dealing with these other unions, he was also a member of the garment workers union?

Mr. KENNEDY. That is correct.

Senator CURTIS. Did he hold any office?

Mr. KENNEDY. Yes; he controlled 102 of the ILGWU.

Senator CURTIS. He continued to control the garment workers union and he had this other enterprise also?

Mr. KENNEDY. That is correct.

Senator CURTIS. Was that known to Mr. Dubinsky?

Mr. KENNEDY. At the time it was not.

Senator CURTIS. When did he become aware of it?

Mr. KENNEDY. I do not know, he knew it certainly in 1956, but I am sure he knew it prior to that time. He learned of it.

The CHAIRMAN. Mr. Dubinsky will be given an opportunity to testify. He can make the explanation.

All right, proceed.

Mr. KENNEDY. To move along, the local 103 of the UAW started an organization of the taxicabs. That was in New York City, and the taxicab drivers. This organizational drive was financed by Johnny Dioguardi, and, to some extent, by the international union. In order to have just one union, and by this time Zackman had been kicked out of the union, and in order to have one union concentrate on the taxicab drivers, they split up the UAW 102 and got a separate charter on March 22, 1952, for the taxicab drivers, which is local 102, which is the taxicab charter.

Then he formed a local 649, which was, again, an amalgamated charter, which was to organize the unorganized. Johnny Dioguardi became president of local 649, and manager of local 102 of the taxicab drivers.

Now, this is in March 22, 1952.

Thereafter, he became organizational director of the UAW operations in New York City, and other charters were granted periodically for their operations.

During 1952, and 1953, some 15 different charters were granted through Johnny Dioguardi by the international union in New York City.

The CHAIRMAN. You said through Johnny Dioguardi. How do you mean?

Mr. KENNEDY. He then became in fact the regional director or the district director of the UAW operations in New York City. With

these charters that were granted, they were answerable to Johnny Dioguardi.

Senator GOLDWATER. Might I, before counsel gets away from that taxicab situation, ask this question: That 102 of the taxicabs was organized in 1952?

Mr. KENNEDY. Yes, sir.

Senator GOLDWATER. Was there a taxicab union organized in August of 1951?

Mr. KENNEDY. No, there was not. They started their operations and organization of the taxicab drivers back in 1951, but they did not receive their charter until 1952.

Senator GOLDWATER. Is it true that about 2,000 taxicab drivers were paying dues before they had a union?

Mr. KENNEDY. They had a union, but they weren't a union shop and they didn't have all of the taxicab drivers in town. They didn't have a contract.

Senator GOLDWATER. It was operated under the amalgamated?

Mr. KENNEDY. They had a taxicab driver charter, but they didn't have a contract at that time between the union and management.

Senator GOLDWATER. There were about 2,000 paying dues at that time?

Senator KENNEDY. Yes, and finally, after their operations, they had as many as 2,000 taxicab drivers.

Senator GOLDWATER. I am wrong in assuming that they were just paying dues into an organization that was not as yet a union?

Mr. KENNEDY. No, I think that is right. They had a union, Senator, but they didn't have a contract, No. 1, and that was of great importance.

Senator GOLDWATER. Is there any accounting of the dues collected from those 2,000 people?

Mr. KENNEDY. No, there is not.

The CHAIRMAN. You said that there is no accounting. Have you been able to get their records?

Mr. KENNEDY. We haven't been able to trace that. We are going to have a witness, Mr. Chairman, on the fact that there were dues coming in, and what he thought happened to the dues. But we cannot trace them down.

The CHAIRMAN. There are no records to trace them?

Mr. KENNEDY. No.

The CHAIRMAN. I did not quite understand.

Will you proceed?

Senator GOLDWATER. That is all I had. That question came up, because I seem to recall in the briefing that something was mentioned about the fact that these people were paying dues before they had a union.

Mr. KENNEDY. Your recitation of the fact is correct.

Senator GOLDWATER. That is correct. Then, am I further correct in assuming that there has been no record discovered of what was done with this money?

Mr. KENNEDY. We can't trace this money. Our information, based on a witness, is that there were some 2,000 paying dues, and we cannot trace that money coming into the union even. We don't know how many they actually had, and if they paid that money what happened to the money.

Senator GOLDWATER. Was that witness a man named Zakman?

Mr. KENNEDY. That is correct. He is going to testify.

Senator GOLDWATER. Did Zakman work under Dio?

Mr. KENNEDY. The original charter was granted to him, and then he was ousted and Dio took over from him.

Senator GOLDWATER. Thank you.

Mr. KENNEDY. Now, out of the 15 charters that were granted, of Dio's operations in New York City, only 7 or 8 of them continued and lasted, Mr. Chairman. The others were paper locals, who might have existed for a week or 2 weeks or 3 weeks and then collapsed.

The CHAIRMAN. Those you have numbered there on the chart, are those the ones that survived?

Mr. KENNEDY. Local 198, for instance, although we have it on the chart, only lasted 3 weeks. The charter was given to Gasster and Cohen. Gasster's wife was Johnny Dioguardi's secretary, and within 3 weeks of the time this charter was given to these 2 gentlemen, they were picked up on extortion, and convicted.

The CHAIRMAN. Therefore, the union was abandoned?

Mr. KENNEDY. That charter was abandoned. Only Cohen was convicted and he refused to testify against Gasster. But that was within 3 weeks of the time it was chartered.

So these various local charters were granted during the years 1952, and 1953.

In 1953, George Meany raised a question about Johnny Dioguardi, because of his background and about his operations, and about the type of people that he was bringing into the labor union movement in New York City. He demanded at that time that Johnny Dioguardi and the UAW-AFL give up their organization of the taxicabs. He said that was outside the jurisdiction of the UAW-AFL and within the jurisdiction of the teamsters. If anybody should organize the taxicabs, it should be the teamsters.

He felt because of the type of associates of Johnny Dioguardi, he wasn't the proper person to be doing this organizational work in New York City.

The CHAIRMAN. It is a little strange to me. How did he get these charters. How did he get these unions under his control?

Mr. KENNEDY. He got it through a relationship, a close relationship that he had with Anthony Doria. Anthony Doria was secretary-treasurer of the international union and they had a very close working relationship.

Although there was a president of the union, Lester Washburn, the actual operation was run by Anthony Doria, Mr. Chairman.

The CHAIRMAN. What has become of Anthony Doria?

Mr. KENNEDY. Anthony Doria—because of this operation, the ethical practices committee brought charges against the UAW-AFL.

The CHAIRMAN. When?

Mr. KENNEDY. In 1956, I think, and again in 1957, mostly because of the results of the hearings that were held by Senator Douglas and Senator Ives committee. The charges were made against the UAW-AFL because of their bringing of gangsters into the labor movement. It wasn't just in New York City. It was mostly in the operations in Chicago, Ill., and a man by the name of Ancisco, who was head of a local there.

One of the conclusions they reached was that Anthony Doria should leave the labor union movement, and he agreed to resign and that was heralded as their cleaning up of their own union, UAW-AFL.

Unbeknownst, however, to the ethical practices committee and the AFL-CIO, when Anthony Doria left he left with the promise that he would receive \$80,000 of union funds as a sort of going-away present.

The CHAIRMAN. \$80,000?

Mr. KENNEDY. Yes.

The CHAIRMAN. His rascality paid off, then, did it not?

Mr. KENNEDY. So, in 1953, Mr. Meany raised a question about these various operations, and the operations of these locals in New York City and specifically about the teamsters. At that time there were meetings between various teamster officials, including Jimmy Hoffa, with Johnny Dioguardi, to try to take over into the teamster operation their work that they had done on the taxicabs in New York City.

At that time, Jimmy Hoffa had met Johnny Dio and had a close relationship with him.

When Mr. Meany said that the UAW-AFL should give up the control of the taxicabs, Jimmy Hoffa then requested that Johnny Dio bring his organization into the teamsters and that he would receive a charter from the teamsters and continue his operation as a teamster member rather than as a member of the UAW-AFL. This was opposed at that time by a vice president in New York, Tom Hickey, about whom you will hear more later on. He opposed it, and he said Johnny Dio had a bad background and the wrong kind of friends and he would get the teamsters union in trouble and in difficulty in the New York City area.

They had a meeting about it, and subsequently, Dave Beck ruled that Johnny Dio should not be brought into the teamsters organization at that time.

Jimmy Hoffa was overruled.

Local 102 of the taxicabs was given up and the teamsters organization started a drive on the taxicab drivers.

So Johnny Dio continued operating local 649, and also in these other unions. His chief union was local 649 of the UAW-AFL.

The CHAIRMAN. What does that cover?

Mr. KENNEDY. It is an amalgamated local.

The CHAIRMAN. It could organize anything?

Mr. KENNEDY. To organize the unorganized. A lot of different shops were involved. He brought in his very close friends into 649 and they were sort of a parent local. The rest of the locals were of less importance, although they were operating.

Then we come to 1954. There was some question raised in New York City newspapers and law-enforcement agencies about Johnny Dio's operations in New York City. Johnny Dio at that time, during the middle of 1954, was sentenced to 60 days in jail for nonpayment of taxes. The money that he hadn't paid the taxes on was the \$5,500 that he had gotten for keeping his dress shop in New York from being unionized. He hadn't declared that on his income tax. So he was sentenced to 60 days in jail.

The CHAIRMAN. Was that a Federal sentence?

Mr. KENNEDY. No, a State sentence. During 1954, while he was in jail, Lester Washburn, who was president of the international union of UAW-AFL, lifted all of the charters of Johnny Dio's locals.

He said that they would bring the UAW-AFL into disrepute, and they were the wrong type of people that were in the labor-union movement.

Immediately after that, his executive board met and they overruled him and he was forced out as president, and he resigned as president of the union. These charters were all given back to the locals and they continued in operation.

The CHAIRMAN. In other words, when Dio was convicted, the international president of that union lifted the charters?

Mr. KENNEDY. Yes, sir.

The CHAIRMAN. And then his executive board overruled him?

Mr. KENNEDY. That is right, led by Anthony Doria. They overruled him and granted the charters all back, and he resigned.

The CHAIRMAN. All right.

Mr. KENNEDY. At that time, when he made this move, he personally kicked out Dio as regional director, but again Dio, after the executive board met, was reinstated as in charge of all of the operations in New York City.

The CHAIRMAN. All right. Proceed.

Senator McNAMARA. At this point, was Washburn's office in New York City?

Mr. KENNEDY. It was out in Milwaukee, Senator.

Senator McNAMARA. He had moved, I think, from Milwaukee, to Detroit. Or did he move back?

Mr. KENNEDY. His headquarters were in Milwaukee and the UAW headquarters were, at that time, in Milwaukee. Subsequently, in 1955 or 1956, the UAW-AFL moved to Los Angeles, where they are now.

Senator McNAMARA. There was a time prior to 1954 when he had headquarters in Detroit, I believe. Maybe you did not get into that phase of it.

Mr. KENNEDY. I am not familiar with that.

So, in 1954, the middle of 1954, this event I have just described occurred. Subsequently, there was a good deal written in the newspapers about Johnny Dioguardi, and the executive board decided to have a meeting with him and consider the charges against him. They had a meeting with him and cleared him and said that there wasn't anything in his background or anything that they could find that he had done wrong. However, he wrote them and said:

Because of the amount of controversy over this matter, I am going to resign from the union.

That was, I believe, in August or September of 1954.

Although he resigned from the union, and that was publicized at the time, we will be able to show that he continued in an important role in the control of these unions into 1955.

The CHAIRMAN. Now he continued that control without being officially representing the union?

Mr. KENNEDY. And after the union had announced that he had severed all connections with the international union.

The CHAIRMAN. In other words, just an announcement made for the public's benefit?

Mr. KENNEDY. Yes.

The CHAIRMAN. And his power, however, continued?

Mr. KENNEDY. That is correct.

The CHAIRMAN. And it was recognized?

Mr. KENNEDY. That is correct.

The CHAIRMAN. And he was consulted about union operations?

Mr. KENNEDY. That is correct.

The CHAIRMAN. And, in fact, he was practically the boss of it, is that what you mean?

Mr. KENNEDY. That is right.

The CHAIRMAN. Proceed.

Senator CURTIS. How many members did they get?

Mr. KENNEDY. You mean in all of these locals?

Senator CURTIS. From 1950 to 1954.

Mr. KENNEDY. They had about 5,000 members.

Senator CURTIS. 5,000 members?

Mr. KENNEDY. Yes, sir.

Senator CURTIS. Now, they had dues from 5,000 people?

Mr. KENNEDY. Yes, sir.

Senator CURTIS. Do you know how many of those conducted a bona fide union and had meetings and transacted business?

Mr. KENNEDY. We have had a rather difficult time with the books and records of these unions. We find that we will come to one of these locals, for instance, and find there was a fire the day before and the records have been destroyed. Or, again, that the janitor threw the records out, or they put the records in their car, and it happened that the district attorney was subpoenaing the records at the time and to make sure they were turned over to the district attorney and to make sure they were down there bright and early, they took the books and records out and put them in their automobile and then some burglar broke into their automobile and stole the books and records.

Senator CURTIS. From the evidence you do have of what unions they had, would you say they were run from the top or did they organize a few unions where the members really operated them?

Mr. KENNEDY. We will show, through witnesses, and we will call here before the committee, members of these various unions, their relationship with these various union officials. We will bring in some of the management people who had relationships with the union officials. We feel that that is the only way we can really show the picture, because of the fact that these books and records are not available to us.

The CHAIRMAN. Were you able to get the books and records of any of those that you have listed there?

Mr. KENNEDY. In some, but what remained or what books and records were kept are very sparse.

The CHAIRMAN. You received no complete records of any of them?

Mr. KENNEDY. No.

The CHAIRMAN. No records that would reflect the true transactions of the union?

Mr. KENNEDY. No. The only thing we can rely on is the union officials testimony themselves and, supplementing that, we have to rely on the management end and also the members of the union as to what experiences they had.

Senator GOLDWATER. Mr. Kennedy, might I ask one question?

Zakman had the idea that there were about 30,000 taxi drivers in New York City, and you mentioned the figure of 4,000 or 5,000 hav-

ing been gathered into all of these paper locals. Were the others organized into other unions?

Mr. KENNEDY. Now, as I say, the taxicab drive was abandoned in 1953 because of the efforts of George Meany. That was turned over to the teamsters. Whatever union members they had at that time were turned over to the teamsters.

The local 102 of the taxicab drivers disappeared and their charter disappeared. These other unions, out of the 15 unions, only 6 or 7 of them really got into operation. Some of them were closed up within a short period of time because of extortions, and other improper practices. All in all, they only had 4,000 or 5,000 members.

Senator CURTIS. How could they finance all of this with dues from 5,000 members?

Mr. KENNEDY. They didn't make any accounting, and the members were paying dues.

Senator CURTIS. The fact is that they were collecting money from other sources, from unlawful activities?

Mr. KENNEDY. There was some income coming every month from these members. As you will see from the witnesses, there wasn't much searching to be done for the union members. They were just receiving the union members' dues, and they didn't have a great number of expenses.

Senator GOLDWATER. Do you have any testimony from management that would give you any idea as to the amount of extortion that is involved in this particular operation, that is extortion such as we have just heard about in the case of Mr. Chester?

Mr. KENNEDY. There are a number of extortions which we will bring out, but even more prevalent was the sweetheart contract, the deal made between management and these union officials, to the detriment of the members. Most of this occurred where the union members were illiterate, or people that had just come to the United States. Most of it centered around the Puerto Ricans and the Negroes in New York City. Those people were not aware of what their rights were and were not aware often of the fact that they were even organized or that they even had a union. They never even met their union officials. So it was more of that kind of a thing, and the management would say, "Well, I will pay you \$100 a month and we will mark it off as dues in our books," and the members would never know about it.

We will show that they were paying dues for people that didn't even exist, because they had made an arrangement to charge it in their books that so and so was paid and so and so might have left the employment 6 months earlier.

We will show where there were contracts which guaranteed a wage scale of 75 cents an hour when the minimum wage was \$1.

Senator GOLDWATER. Do you suspect that you will be able to bring out that there were similar manipulations with welfare funds?

Mr. KENNEDY. Not to that extent; no.

Senator GOLDWATER. Or payments into welfare funds?

Mr. KENNEDY. No.

Senator GOLDWATER. Now I have one more question on this extortion. Is there evidence to show that this extorted money went into the union coffers, or did it go into the pockets of the individuals?

Mr. KENNEDY. We believe it went into the pockets of individuals.

Senator GOLDWATER. That would be a natural assumption, but I was trying to develop some sources of money to answer Senator Curtis' question.

Mr. KENNEDY. I am sure that these union officials, if they didn't keep the money, would be glad to answer the questions when they are asked about it.

Senator GOLDWATER. That is fine.

Mr. KENNEDY. So, in 1954, Johnny Dio allegedly, or supposedly, resigned from the union. It was shortly after, in October, on October 11, 1954, that he met with Jimmy Hoffa in New York City, and in front of the press at that time Mr. Hoffa put his arms around him, and Johnny Dio said, "I am looking for a job, Jimmy." And Jimmy said, "Any time you want a job, Johnny, you can come to me."

During 1955, Johnny Dio remained, in fact, in control—or his lieutenants remained in control—of the operations of the UAW.

Now, I would like to move to another chart here.

The CHAIRMAN. Are there any other questions about this one?

All right, proceed.

Senator GOLDWATER. Did not Jimmy Hoffa make a remark after the trial downtown to somebody that if he wanted a job to come and see him?

Mr. KENNEDY. I believe he did.

Senator GOLDWATER. That was not a juror, was it?

Mr. KENNEDY. I guess it was, Senator. I just know what I read in the paper and I wasn't there.

Senator GOLDWATER. I just cannot quite recall it, but when you mentioned that he told Johnny Dio that he could have a job at any time, it rang a bell and the bell said that he made a similar remark downtown after the trial. I did not remember whether he made it to a juror or not.

Mr. KENNEDY. I don't know.

Senator McNAMARA. As reported in the local papers, he made it to a juror. That is the way I recall it, Senator.

Senator GOLDWATER. Between Joe Louis and John Dio, they come in mighty handy.

The CHAIRMAN. Let the next chart being presented by counsel be published in the record. Are they so connected that they need to be tied together?

Mr. KENNEDY. Yes.

The CHAIRMAN. I suggest, then, to the reporter you refer back to the previous page, and it will be found on that page, so that the two may be printed in the record on adjoining pages so the connection can be apparent to those who read the record. It will be found on page 3611.

Mr. KENNEDY. Now we come back to joint council 16, Mr. Chairman. We discussed that briefly at the beginning.

Early in 1956 there was an election in New York City for the control of joint council 16. The election was between Mr. John O'Rourke and Mr. Martin Lacey. Martin Lacey had been the incumbent and he had been president of the joint council 16 in New York City.

The CHAIRMAN. Now we are back to the teamsters?

Mr. KENNEDY. Yes; and we will show the connection between these two in just a moment.

The election was expected to be very close as to who would control the Teamsters Joint Council in New York City.

In early December of 1955, the joint council 16 in New York City received letters from seven different locals that they never knew existed, asking to be seated at the joint council. Now, each local in the joint council, in the voting for the joint council president, has seven votes. A local has 7 votes no matter whether they have no members or whether they have 10,000 or 11,000 members and they still have 7 votes.

The CHAIRMAN. That is in the election of officers of the council?

Mr. KENNEDY. Yes. So on the eve of the election, the joint council received notification that seven different locals that they never knew existed suddenly requested permission to affiliate with the joint council, and, therefore, to vote in the coming election.

So Martin Lacey as head of the joint council at that time, wrote to the international and asked for the applications of these various locals that they had filed with the international and asked for the history of it.

It had been agreed to earlier by the joint council and with the international that any locals that were to be chartered in the New York area were to have the approval of the joint council and would have a notification to a general organizer, Tom Hickey. These locals evidently had been chartered, and we will show that they had been, without the notification to the joint council and without notification to the general organizer, the international organizer in that area. They suddenly had been chartered down here in Washington by the international.

The CHAIRMAN. As I understand it, the head of the joint council, Mr. Lacey, had never heard of them?

Mr. KENNEDY. That is correct.

The CHAIRMAN. They had no record of their existence?

Mr. KENNEDY. That is correct.

The CHAIRMAN. And they had been chartered just previously and without the usual procedure that had been established?

Mr. KENNEDY. That is correct.

The CHAIRMAN. So that immediately preceding the election, those seven locals wrote in and asked for recognition so they could be seated and thus be eligible to vote in the election of the international officers?

Mr. KENNEDY. That is correct.

We will show that the purpose of having a charter in these locals was to influence the election in New York City for control of the joint council. They have been chartered at first at the request of Mr. James Hoffa and that request had been made to Mr. Einar Mohn in the international headquarters here in Washington, D. C., and those charters had been granted and given to the seven different locals.

Senator CURTIS. I would like to ask what you mean by a charter issued by international teamsters to these locals. Was that to a group of workers who had organized a union, or to whom were they issued?

Mr. KENNEDY. No, that is a license, really. It is a license under the title of teamsters to go out and organize. Or if there is a group

that wants to become affiliated with the teamsters or with any union, it is a license to take them in under a particular charter.

Senator CURTIS. Well, it is a license, then, to an organizer or to an officer, is it not?

Mr. KENNEDY. Yes, sir.

Senator CURTIS. In other words, there were not seven groups of workers who had assembled themselves together and said, "We want to affiliate with the International Teamsters Union"? That is not the way they get a charter?

Mr. KENNEDY. That was not the procedure that was followed here. If the charter was granted, ordinarily, there would be a group in a particular area, say, for instance, within the teamsters jurisdiction, that were unorganized and wanted a charter or wanted to become affiliated. Or if there was an organizer who knew that there was some work to be done in that particular area, or with that particular group of plants, he would go to the joint council and he would say, "We need a charter in this area and we don't have enough."

Senator CURTIS. That was my conception of what a charter would be.

Now, is that what was issued to these seven groups?

Mr. KENNEDY. No, that was not in this case.

Senator CURTIS. You still call it a charter?

Mr. KENNEDY. It was a charter granted by the international, nevertheless. It was granted as if those circumstances that you have described existed.

Senator CURTIS. They received the same charter as if a group of workers were applying for bona fide charters?

Mr. KENNEDY. That is right.

Senator CURTIS. And it was issued to organizers?

Mr. KENNEDY. I will show that in just a moment, to whom these charters were issued.

Senator McNAMARA. You mentioned Einar Mohn. Did he have authority to issue charters?

Mr. KENNEDY. Together with John English, there is an arrangement made, and I think one since then, and between the two of them under Dave Beck they can issue the charters.

Senator McNAMARA. In whose name was the charter issued?

Mr. KENNEDY. Under Dave Beck's name.

Senator McNAMARA. President of the teamsters international?

Mr. KENNEDY. Yes, sir.

Senator McNAMARA. And Einar Mohn, where does he fit in, and what was his title?

Mr. KENNEDY. He is a vice president and he is administrative assistant to Dave Beck, and he plays a part in this, as does John English.

So the charters were granted by the International Brotherhood of Teamsters, to these seven locals, and they bypassed the joint council 16, and bypassed the general organizer and international vice president, Tom Hickey.

Now, the joint council requested the applicants, the application cards of these charters, and who made the request for these charters. They received a telegram back approximately a month later, which would be early in January of 1957—

Senator KENNEDY. That would be 1956.

Mr. KENNEDY. Yes, I am sorry. That these locals should be seated and at the same time they did not send the applicants or the application cards for these charters. So there was a great fuss raised about it because the election obviously was going to be close between Mr. Martin Lacey and Mr. John O'Rourke.

Mr. Tom Hickey who had opposed Johnny Dioguardi earlier backed Martin Lacey, and Jimmy Hoffa backed Mr. John O'Rourke for this fight.

The election was held, and in addition to these 7 locals, which each had 7 votes, there were 16 other votes that were in contest. Those were 16 other votes contested. Dave Beck ruled that the 49 votes of these locals, plus the 16 other votes, should be put in a little box and separated and the people should vote, but they shouldn't be counted unless they were going to influence the results of the election.

Senator McNAMARA. How do we get a figure like 16 if each local union had 7 votes?

Mr. KENNEDY. It will not play an important role in this and it is rather a complicated matter.

Senator McNAMARA. All right.

Mr. KENNEDY. There were some extortions, and people had been out of their jobs and there was a question of who would represent the local.

The election was held and Mr. Martin Lacey, without counting the 49 votes and without counting the 16 votes, won 192 to 181.

The election was held on February 14, 1956, and shortly thereafter Mr. Dave Beck ruled that the 16 votes should be counted immediately. Those 16 votes then gave the victory to Mr. John O'Rourke. Martin Lacey then brought this into a court, and said that neither the 16 nor the 49 votes should be counted. The judge ruled to put an injunction against the International Brotherhood of Teamsters from counting these votes and said it was obviously an attempt to influence the result of the election of the New York Joint Council that these 7 locals had been chartered and that these other 16 votes had been counted.

So the control of the joint council reverted back to Mr. Martin Lacey.

I might say in connection with that, subsequently Mr. Martin Lacey resigned or said he wouldn't run again and Mr. John O'Rourke has taken over control of the joint council, and Mr. John O'Rourke is Mr. James Hoffa's representative.

The CHAIRMAN. Is Mr. O'Rourke presently the president?

Mr. KENNEDY. That is correct.

The CHAIRMAN. And Lacey has stepped out?

Mr. KENNEDY. That is correct.

The CHAIRMAN. Did he step out at an election time, or in between elections?

Mr. KENNEDY. He stepped out prior to the election and said that his health wasn't very good.

The CHAIRMAN. His health went bad?

Mr. KENNEDY. Yes, sir.

The CHAIRMAN. Just for information in the record at this point, how often do they hold elections?

Mr. KENNEDY. Every year.

The CHAIRMAN. Each year?

Mr. KENNEDY. Yes, sir.

The CHAIRMAN. So he did not last the year?

Mr. KENNEDY. No; he did not. Well, you see, the court controversy lasted during at least half of 1956, so when he finally regained control officially it was in the middle of 1956.

I might say in that connection, Mr. Chairman, that they both had court costs of approximately \$24,000 apiece, Martin Lacey versus John O'Rourke, and, subsequently, the joint council voted to pay the court costs of both of them. So union members dues were paid or used to pay approximately \$24,000 to John O'Rourke's attorney and approximately \$24,000 to Martin Lacey's attorney.

Senator KENNEDY. How many members were represented by those 49 votes?

Mr. KENNEDY. Well, now, these locals here had no members at all. These five, 651, 258, 269, and 284, and 362 had no members at all.

Senator KENNEDY. That was 35 votes. How many votes were there in the whole joint council?

Mr. KENNEDY. There were 380.

Senator KENNEDY. So that would represent 125,000 members, and now there were 35 votes which represented no members.

Mr. KENNEDY. Yes, sir.

Senator KENNEDY. But they still had the right to vote. What about the top two locals?

Mr. KENNEDY. These two unions represented no new members, but I would like to put on another chart and show you what happened.

Senator McNAMARA. Before you leave that chart, who is the man in control of 295?

Mr. KENNEDY. That is John McNamara.

The CHAIRMAN. As we present the next chart, I will ask the reporter to have it placed in between the other two, already printed previously. It will be found on page 3611.

May I ask counsel if the three charts pieced together now completes the picture with respect to this operation?

Mr. KENNEDY. It completes the picture as far as the people are concerned, the applicants on the charter, but we have another chart we will put up to show what happened to the shops subsequently.

But this at least starts us off.

We were talking about the members of the locals. These five locals had no members whatsoever, and they were so-called paper locals, and they existed just on paper. I think these two locals had no new members.

The CHAIRMAN. What do you mean by "no new members"?

Mr. KENNEDY. There were transfers of certain shops from local 875 which is operated by Kleinman, Berger, and Carmel, and there were transfers of certain shops, refrigerator shops, over to local 275.

The CHAIRMAN. In other words, to set up locals 295 and 275, they transferred out of another union segments of their members and placed them in these two new ones?

Mr. KENNEDY. That is correct.

The CHAIRMAN. Whereas the other five appearing there on the chart had no members at all?

Mr. KENNEDY. No, sir; that is correct.

The CHAIRMAN. But in order to set up 2 more voting units of 7 votes each, they transferred a group out of 1 union into a new local?

Mr. KENNEDY. That is correct.

Senator McNAMARA. When you say "refrigeration union," what do you mean? Are they installing refrigeration equipment, or what?

Mr. KENNEDY. They are repairmen. That is, repairmen on refrigeration units.

Senator McNAMARA. Just service men. Is that it?

Mr. KENNEDY. Yes. The local 808 did the same thing. As to this local 875, although these are the chief official officers, Mr. Chairman, we will show that it is dominated and controlled by a man by the name of Tony "Ducks" Corallo, and that he is the actual one who operates and controls this union. This local 808 transferred some air-freight drivers; some of those shops were transferred over to local 295.

Senator CURTIS. I see that this Teamsters Local 875 that transferred members and formed a new teamsters unit No. 275 has one of its officers listed as "J. Berger." Is that the same Berger that was in 102 of the garment workers?

Mr. KENNEDY. That is his brother, Jack Berger.

Senator CURTIS. Now, you said a minute ago that Sam Berger continued on in this activity until about 1956 or 1955.

Mr. KENNEDY. No; I did not mean to, if I did say that.

Senator CURTIS. When did he drop out?

Mr. KENNEDY. I said Johnny Dioguardi. Sam Zakman dropped out shortly after.

Senator CURTIS. I mean Berger.

Mr. KENNEDY. Sam Berger dropped out shortly afterward from Local 102 of the UAW. He stayed in as manager of Local 102 of the ILGWU until early 1957.

Senator CURTIS. When did he drop out of this apparatus?

Mr. KENNEDY. Well, he remained very close to Johnny Dioguardi. When Johnny Dioguardi ostensibly left the labor-union movement at the end of 1954, he set up a labor-relations firm called Equitable Research, and Sam Berger continued a close association with him, and on occasion referred clients to him.

Senator CURTIS. That was as late as when?

Mr. KENNEDY. In 1955.

Senator CURTIS. Thank you.

Mr. KENNEDY. Now, the importance of these locals and the importance of what we have been discussing this morning as to the control of Joint Council 16, is where the people that made up these locals, the applicants, where they came from, and who they were, and what they did. This overlay that we have put in here shows what occurred. As I have said earlier, local 649 was really the parent local of all of the rest of the operations in New York City of Johnny Dioguardi. He was regional director and he operated out of local 649. That was his own local, and he was president of that, and although he had responsibilities in these other locals he brought in his closest friends in local 649.

Joseph Curcio came down to local 269 and became secretary-treasurer, and he came from local 649 to local 269.

Harry Davidoff came from local 649 to local 258 of the teamsters, and he became their secretary-treasurer.

Sydney Hodes came from local 649, down in here to local 284, and he became the secretary-treasurer.

Abe Brier in local 649 came down here to local 362, and he became the secretary-treasurer.

The CHAIRMAN. You said they had no members.

Mr. KENNEDY. They had no members.

The CHAIRMAN. There were no members and just these officers named on paper without any dues-paying members?

Mr. KENNEDY. That is correct.

Now, for instance in that connection, Senator, Sam Getlan, who used to be in local 228—and we will have more about that later—became president and was put on as president of local 258. When we interviewed him over the period of the last few months, he not only did not know he was in the union, he not only did not know he was president or knew he was in the union, yet he was listed as the president of local 258. He never even heard of local 258, let alone being president of the union.

That same situation was followed in many of these other locals, and many of these other people. We have people who voted in the joint council election who never even knew they were members of the union, let alone voting in the election.

The CHAIRMAN. They voted them although they were not members of the union and they did not even know that they were delegates.

Mr. KENNEDY. One fellow said he was standing outside in the bar and he had been drinking, and somebody came up and said, "Come on, we are to vote." And they went down and he said there was an awful lot of people around, and we showed him the chart showing that he had voted in the election, and he said, "Well, I went there. Maybe I voted."

But the main officials, the chief officials of local 649 came down into these four locals. They were the key officials in those.

In local 651, the president or secretary-treasurer of that local was Nat Gordon. Now, Nat Gordon runs a liquor store, and he is a brother of Abe Gordon, who is a teamster union official and who is a very close associate of Johnny Dioguardi. Abe Gordon, his brother, not only is a teamster union official but he also runs a trucking company.

Now, you can see the officers over here in local 224, whose names were used on the application blanks for local 269. These are officers and charter members of local 224 who were used in local 269.

The CHAIRMAN. Do they have to have a certain number of members before they can get a charter?

Mr. KENNEDY. No; they did not. They had no members at all.

The CHAIRMAN. I understand they had no members, but you said they were used on the charter.

Mr. KENNEDY. Under the teamster constitution, seven members are required to get a charter.

The CHAIRMAN. So they just used officers in these other unions to make up the so-called membership to get a charter?

Mr. KENNEDY. That is correct. These officers and applicants on the charter of 227 came over into local 284 of the teamsters.

Local 355 officers came over here and became applicants for local 362. As I said, and as we will develop, some of these people never even knew they were on the applications.

Subsequently, these people in local 224 that came over here as applicants on local 269 ended up here in local 362. They never were active in 269 but they ended up in local 362 of the teamsters.

The people that came over here from local 355 to local 362 never were active in 362, and they now run an independent union over in 355.

You can see Sydney Hodes came out of local 649, and he was an officer in 649 and he was also an officer in local 228. However, local 228 of the UAW-AFL had had its charter lifted supposedly, back in 1955, and this union should not even have been in existence at that time. The charter according to their records of the international had been lifted, but we will be able to show that that charter was active under a number of different people after that time. We call it the "bouncing charter" because it bounced from person to person, and was given to various people so that they could organize in their particular district.

The last time it was handed out, this UAW-AFL charter was handed out by a teamster official.

Sydney Hodes, who was an officer supposedly down here in local 228, and also in 649, ended up in three different unions. His name ended up in three different unions, and he was here as president of local 258, and he was here as secretary-treasurer in local 284, and he was here as president of local 362. All during this period of time that was true.

The CHAIRMAN. Are there any further questions?

Senator McNAMARA. Mr. Chairman, I would like to ask the chief counsel at what point did this United Automobile Workers AFL go out of business? I understand they are no longer in business.

Mr. KENNEDY. Yes; they are still in business, except under the name of the Allied Industrial Workers of America.

Senator McNAMARA. The same officials?

Mr. KENNEDY. Except for Anthony Doria, who has left with \$60,000.

Senator McNAMARA. Then generally, it is the same setup and the only thing changed is the name.

Mr. KENNEDY. That is correct.

Senator McNAMARA. And they changed it themselves, or who did?

Mr. KENNEDY. After the merger of the AFL-CIO, it was decided that they should not have two UAW's, and Mr. Reuther kept his organization, and the UAW-AFL changed to the Allied Industrial Workers of America.

Senator McNAMARA. And they are affiliated with the AFL, Meany's organization?

Mr. KENNEDY. Yes, sir.

Now, another confusing part is local 651, and local 362 gave as their address in the applications, the old address of local 228, when in fact they were never there.

The CHAIRMAN. Both of them gave that address?

Mr. KENNEDY. Gave this address of old 228, where 228 was no longer in existence, when in fact they operated out of local 649.

651 gave a nonexistent address. Local 258 gave the new address of local 228, when in fact they operated out of local 649.

It would appear to us, at least, to have been a mad dash at the last moment to try to get names for various locals, and give them addresses, and there was some confusion on this.

The CHAIRMAN. This was a power fight, in other words, internal union power fight, and the interests for O'Rourke undertook this procedure in order to get control of the joint council.

Mr. KENNEDY. Which controls all of these things that we have discussed earlier.

Senator McNAMARA. Were these charters all issued on the same day, Mr. Kennedy?

Mr. KENNEDY. Yes, all on November 8, 1956.

The CHAIRMAN. I hope we will get proper pictures of these so that those who read this may follow it.

Mr. KENNEDY. This other overlay that we have put on, Mr. Chairman, shows when the stationery was ordered to make these applications. We have traced down the shop where the stationery was ordered that sent the applications into the International Brotherhood of Teamsters.

The CHAIRMAN. You mean the letterheads for these locals, these paper locals?

Mr. KENNEDY. That is right, and we found that the bills of 362, 369, 358, and 651 were all sent to local 649.

Now, subsequently, during July of 1956, there had been a great deal in the press about this battle for control of joint council 16 and also, the court case between John O'Rourke and Martin Lacey. So these locals decided that they had better get some members in their various locals, so what they did was transfer some shops, and without the concurrence of any of the members of the locals.

Harry Davidoff brought certain of his shops that he felt belonged to him and he brought them down into local 258. So they came out of local 649. They came down with him to 258. Certain of those shops of Joe Curcio, he took out of local 649 and he brought them down to local 269.

The shops of local 250, even though the officers had become charter members of local 258, the shops of local 250 came down here to local 362.

Senator CURTIS. By shops, you mean their membership?

Mr. KENNEDY. Yes, their membership.

Senator CURTIS. Who decided that?

Mr. KENNEDY. They decided it, Joe Curcio, Harry Davidoff, and Sidney Hodes and Brier, and Johnny Dio.

Senator CURTIS. The members did not decide it?

Mr. KENNEDY. No, sir.

Senator CURTIS. And did the employer cancel out one contract, and enter into a new contract with the new union?

Mr. KENNEDY. Yes. He was just notified that the change had been made from the UAW to the teamsters.

Senator McNAMARA. Do they come down in great numbers or in very small numbers?

Mr. KENNEDY. They brought all of their shops, ultimately, down into these locals.

Senator McNAMARA. Did they amount to 100 generally, or more?

Mr. KENNEDY. How many different shops you mean?

Senator McNAMARA. How many men were transferred from 649 to 362?

Mr. KENNEDY. All of the shops altogether, had about four or five thousand members.

Senator McNAMARA. And there would be hundreds in each one of these instances?

Mr. KENNEDY. Yes. We will show if we have time, the type of shops that they had.

Local 227 transferred their shops to local 284. Local 355 remained independent, and local 228 supposedly was not even in existence. Local 651 never got any shops and it is still a paper organization. It really does not exist.

These two locals continued in operation.

Senator CURTIS. Now, how much concurrence was there with the teamsters' international officers in the transfer of these shops, or I prefer to call them transfer of union members because they were moved about like they were chessmen.

Mr. KENNEDY. Under the constitution, I do not believe they have any control over the matter. It is up to the local autonomy. These individuals decided these members should be transferred and they were transferred.

Senator CURTIS. But were they in on the operation?

Mr. KENNEDY. You mean in 1956?

Senator CURTIS. Yes.

Mr. KENNEDY. I do not know.

The CHAIRMAN. Is there any further explanation of that chart?

Senator KENNEDY. Mr. Counsel, are you going to show later on who was the guiding force behind all of these transfers, and are you saying it was Mr. Dio?

Mr. KENNEDY. Based on this chart, and based on the operations, these were people that were transferred, and they were all people that Johnny Dio brought into the labor movement after 1950.

These were people that he brought in and he was responsible for. The chief operation which this happened under came out of local 469. That was his local. Those people were answerable to him.

Again, because Jimmy Hoffa had this close personal relationship with Johnny Dio, and Jimmy Hoffa was anxious to oust Tom Hickey from any position of power in New York City, they were bitter enemies. Tom Hickey was backing Martin Lacey, and this would have been the means whereby to do it and get these charters and have them vote in the election and overturn the Martin Lacey group and gain control.

That was the operation that was done, and these people that came over were all Johnny Dio's people.

That is, with the exception of 875, which was run by another hoodlum and gangster, Mr. Tony Ducks Carello, who controlled this union and other unions. John McNamara was also very close to Jimmy Hoffa and also responsible for local 295.

Mr. Chairman, we have a chart here showing the kind of people or the kind of shops that existed for these various locals.

The CHAIRMAN. It may be presented and printed at this point in the record.

(The chart is as follows:)

TYPES OF SHOPS ORGANIZED BY UNITED AUTO WORKERS, ALF AMALGAMATED
LOCALS IN METROPOLITAN NEW YORK

LOCAL 224

Refrigeration repairmen	Lead-pipe manufacturer
Car washes	Breadbaker
Restaurant equipment manufacturer	Comic-book publisher
Paper products	Mop manufacturer
Box manufacturer	Toy manufacturer
Stone setter	Wholesale soap
Embroidery manufacturer	Thread distributor
Lamp manufacturer	Toiletries manufacturer

LOCAL 227

Chemical plant	Envelope company
Vitamin-pill maker	Hobby store
Glass dealers	Converters
Plastic-bag company	Hardware manufacturer
Leather embossers	Rubber-products company
Paper products	Service stations
Handbag manufacturer	Heating contractor
Wallet manufacturer	Paint company

LOCAL 355

Electric-broiler manufacturer	Electrical-parts manufacturer
Quilting manufacturer	Linen shop
Bias binding company	Drugstore
Hotel	Oil companies

LOCAL 250

Dog-food maker	Screw-machine manufacturer
Ballpoint pens	Ball-bearing company
Optical company	Toilet-seat reconditioner
Printer	Draperies maker
Notebook manufacturer	Dry cleaner
Crucifix plater	Coffee roaster
Brassworks	Aircraft-parts manufacturer
Mattressmaker	

LOCAL 649

Textile manufacturer	Plastic-novelties manufacturer
Beltmaker	Rayon processor
Zipper manufacturer	Christmas tree lights
TV antennas	Dry cleaner
Discount house	Electroplaters
Electric shop	Printer
Steel plant	X-ray company
Candle and crayon company	Paint company
Jewelry shop	Machine shop
Buttonmaker	Papermaker
Screw manufacturer	Wood products
Candymaker	Truck renter
New-car sales	Importers
Yarn spinner and twister	Soapmaker
Packaging company	Chemical works

Mr. KENNEDY. So when these shops were transferred, they are hardly clearly within the jurisdiction of the teamsters union.

The CHAIRMAN. What are they?

Mr. KENNEDY. They are not clearly within the jurisdiction of the teamsters union.

For instance, here local 260, a dog-food maker, a notebook manufacturer, a crucifix plater, a screw-machine manufacturer and a toilet-seat reconitioner.

The CHAIRMAN. Those became members of the teamsters?

Mr. KENNEDY. These are the charts. These were the people here that had these shops and these were the shops that were transferred over. There is a plastic bag company, and handbag manufacturer and wallet manufacturer and a hobby store.

The CHAIRMAN. They all became members of the teamsters?

Mr. KENNEDY. These shops were transferred over. Their officials, and the applicants on their charters, set up these charters, were used as the applicants on the teamsters union charters, and subsequently when there was a great hue and cry about it in New York City, these shops were transferred over in 1956.

Curcio brought his shops down to 269 and Davidoff brought them to 258, and they set up this operation.

The CHAIRMAN. I see on there Christmas tree lights. What does that have to do with the teamsters union? And there are also dry cleaners.

Mr. KENNEDY. Admittedly the teamsters have broad jurisdiction because they say that anything that moves is in their jurisdiction and anything that affects any teamster organization is in their jurisdiction.

The CHAIRMAN. And some soapmakers. That is where they were organized and they were unionized and those are the ones that were transferred into these paper locals, after the manipulation had been discovered and exposed.

Mr. KENNEDY. That is correct.

Now, Mr. Chairman, we have just one more chart and then we are finished. That will give the type of people that were involved in this, that Johnny Dio and Tony Ducks brought into the labor movement since 1951 or 1952.

They played an important role in the control of joint council 16 in New York City.

The CHAIRMAN. This chart the counsel is now presenting may be printed in the record at this point.

(The chart is as follows:)

List of indictments or convictions for offenses committed by individuals in their capacity as officials of unions which were dominated or controlled by Anthony "Ducks" Corallo or Johnny "Dio" Dioguardi

Local	Affiliation	Name	Date of indictment	Charge	Disposition
649	United Auto Workers, AFL.	Anthony Topazio, secretary-treasurer.	July 1952	Extortion.	Convicted, 1953.
649	do	Joseph Cohen	July 1952	do	Do.
198	do	George Cohen, organizer	1953	do	Convicted, 1954.
198	do	Henry Gasster, president	1953	do ¹	Dismissed. ¹
875	Teamsters	Nathan Carmel, vice president	1956	do	Convicted, 1957.
875	do	Jack Berger, president	1956	do	Do.
875	do	Aaron Kleinman, secretary-treasurer.	1956	do	Do.
857	do	Milton Levine, organizer 875, and president, local 275.	1956	do	Pending.
875	do	Jack Priore, organizer	1956	do	Do.
875	do	Sam Zaber, organizer 875, and local, 275 teamsters.	1956	do	Do.
405	Retail Clerks International Association.	Max Chester, secretary-treasurer.	1956	do	Convicted, 1956.
405	do	Manny Fink, business representative.	1956	do	Do.
405	do	Max Lees, president	1956	do	Pending.
405	do	Irving Slutsky, vice president	1956	do	Do.
405	do	Philip Brody, organizer	1956	do	Do.
295	Teamsters	John Dioguardi	1956	do	Do.
295	do	John McNamara, secretary-treasurer.	1956	do	Do.
295	do	Milton Holt, secretary-treasurer, 805.	1956	Perjury	Do.
239	do	Sam Goldstein, president	1957	Bribery	Convicted, 1957.
227	United Auto Workers, AFL.	Arthur Santa Maria, secretary-treasurer.	1957	Conspiracy, forgery, larceny.	Pending.
227	do	Dominick Santa Maria, trustee	1957	do	Do.
227	do	David Consentino, president, Local 248, IBT.	1957	do	Do.
239	Teamsters	Max Chester	1957	Bribery	Convicted, 1957.
239	do	John Dioguardi	1957	do	Do.
522	do	Alfred Reger, secretary-treasurer	1957	Extortion	Do.
522	do	Burle Michaelson	1957	do	Pending.
522	do	Harry Davidoff, secretary-treasurer, Local 258, IBT.	1957	do	Do.
239	do	Sam Goldstein, president	1957	do	Do.
239	do	Phillip Goldberg	1957	do	Do.

¹ Cohen refused to testify.

Senator CURTIS. The thing that disturbs me, and you perhaps cannot answer it right now, is that even though these union had not been controlled by hoodlums and bad characters, I am astounded that good men, good officers, might be able to transfer members from one union to another just at will.

The impression that I get after listening to the investigation of the teamsters and the textile workers and the bakers is that these officers assume a certain proprietary interest in their members. They use their members for their advantage and gain.

Mr. KENNEDY. This is a list of indictments and convictions for offenses committed by individuals in their capacity as officials of the unions which were dominated or influenced by Anthony "Ducks" Corallo or Johnny Dioguardi.

These were people that they were responsible for and these are offenses and indictments and convictions that have happened since they came into the labor-union movement or were brought into the labor-union movement by Johnny Dio or Tony Ducks.

This is not their total criminal records. We will develop that later on, but this is since the time that these people have come in.

The CHAIRMAN. In other words, the law violation records that this chart exhibits, all of those violations are alleged violations which occurred since they were brought into the union by Johnny Dioguardi.

Mr. KENNEDY. And Anthony Ducks, yes, that is correct.

Now, most of this, and I would think virtually all of it, is through the efforts of Mr. Hogan, and his office in New York City, who, as I have said earlier, has been on top of this continuously and doing a tremendous amount of work in New York City.

Through his efforts these people have been indicted and some of them convicted. They were people brought into the labor-union movement in the manner we described. These are people who played such an important part in the fight to control Council 16.

The CHAIRMAN. Are they still in the labor-union movement?

Mr. KENNEDY. Some of them are, and we will develop that.

The CHAIRMAN. In the course of the testimony?

Mr. KENNEDY. Yes, sir, and what has been their relationship with their union while they served time in prison.

The CHAIRMAN. Are there any further questions?

Now, does this conclude your presentation of what we may term our opening remarks here this morning, so as to get this whole hearing in proper perspective?

Mr. KENNEDY. Yes. The important thing is that we have these witnesses down from management and from these various unions and it is not just to have them recite a particular event, but it is in this picture and the part that they played.

It might be just 1 man who was involved with 5 or 6 people, but this can be multiplied a thousandfold by this kind of an operation, it has such a great and tremendous influence.

If people who control these unions are gangsters or hoodlums, and the head of the joint council 16 is a gangster or hoodlum or has an obligation or a responsibility or owes a debt to any gangsters or hoodlums, then, of course, the operations in the city of New York or in other big metropolitan areas are jeopardized.

The CHAIRMAN. Are there any further questions before we recess?

The committee will stand in recess until 2 o'clock.

(Whereupon, the hearing in the above-entitled matter was recessed at 12:20 p. m., to reconvene at 2 p. m., of the same day.)

AFTERNOON SESSION

(Members present at the convening of the afternoon session: Senators McClellan, Ives, and Kennedy.)

The CHAIRMAN. The committee will be in order.

Call your first witness, Mr. Kennedy.

Mr. KENNEDY. Mr. Sam Zakman, Mr. Chairman.

The CHAIRMAN. Mr. Zakman, come forward, please.

Put up your right hand and be sworn.

You do solemnly swear that the evidence you shall give before this Senate Select Committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. ZAKMAN. I do.

TESTIMONY OF SAMUEL ZAKMAN

The CHAIRMAN. Mr. Zakman, state your name, your place of residence, and your business or occupation, please, sir.

Mr. ZAKMAN. My name is Samuel Zakman. I live at 9 Anvil Lane, Levittown, N. Y.

I am at the present employed in a lampshade factory in New York City.

The CHAIRMAN. Have you talked to members of the staff of the committee regarding your testimony?

Mr. ZAKMAN. Yes, sir.

The CHAIRMAN. You know generally, then, the line of questions to expect?

Mr. ZAKMAN. Yes, sir.

The CHAIRMAN. Do you know you have the right to have counsel present while you testify to advise you of your legal rights under the law?

Mr. ZAKMAN. Yes, sir.

The CHAIRMAN. Do you waive counsel, Mr. Zakman?

Mr. ZAKMAN. At this time, I do, sir.

The CHAIRMAN. At this time you do. All right.

Mr. Kennedy, you may proceed.

Mr. KENNEDY. Mr. Chairman, this afternoon we are going to have at least two witnesses on local 102 of the UAW-AFL, which appears over on the far left on this chart, the origin and the beginning of Mr. Johnny Dio's entrance back into the labor movement in 1950.

Mr. Sam Zakman will be the first witness as he was the first president of local 102 of the UAW-AFL, and then we will trace with him how he got the charter and what his experiences were with Mr. Dio.

The CHAIRMAN. All right.

Mr. KENNEDY. Mr. Zakman, can you tell the committee a little bit of your background, where you were born?

Mr. ZAKMAN. I was born in Russia.

Mr. KENNEDY. How old were you when you came to this country?

Mr. ZAKMAN. I was about 7 years old.

Mr. KENNEDY. And you came to New York City at that time?

Mr. ZAKMAN. Yes, sir.

Mr. KENNEDY. And you have been living in New York City ever since?

Mr. ZAKMAN. Most of the time.

Mr. KENNEDY. When did you first get into the labor—first, when were you born? What was your birth date?

Mr. ZAKMAN. May 8, 1913.

Mr. KENNEDY. 1913. When did you first get into the labor-union movement?

Mr. ZAKMAN. Sometime during the early 1930's.

Mr. KENNEDY. In what role, what position?

Mr. ZAKMAN. Sort of a volunteer organizer.

Mr. KENNEDY. A volunteer organizer?

Mr. ZAKMAN. Yes, sir.

Senator IVES. Mr. Chairman, before we get further, may I ask a question?

The CHAIRMAN. Senator Ives.

Senator IVES. Mr. Zakman, were you educated in the public-school system of New York City?

Mr. ZAKMAN. Yes, sir.

Senator IVES. How far did you get in school?

Mr. ZAKMAN. Junior high school.

Senator IVES. Junior high school?

Mr. ZAKMAN. Yes, sir.

Senator IVES. Are your parents both living?

Mr. ZAKMAN. Only my mother.

Senator IVES. When did your father die?

Mr. ZAKMAN. I was about 10 years old.

Senator IVES. When you were about 10 years old?

Mr. ZAKMAN. Yes, sir.

Senator IVES. And you were left to support your mother at that time?

Mr. ZAKMAN. I was left, my brother and my sister.

Senator IVES. Who supported the family?

Mr. ZAKMAN. We all had to work at an early age.

Senator IVES. You all had to work at that time, is that it?

Mr. ZAKMAN. Yes, sir.

Senator IVES. From that time on?

Mr. ZAKMAN. Yes, sir.

Senator IVES. And still you got through junior high school, is that it?

Mr. ZAKMAN. Yes, sir.

Senator IVES. Thank you.

Mr. KENNEDY. You say in the 1930's you were a volunteer organizer?

Mr. ZAKMAN. That is right.

Mr. KENNEDY. For what unions, and what did that position entail?

Mr. ZAKMAN. The Beauty Culturist Union, local 561, I believe.

Mr. KENNEDY. Beauty—

Mr. ZAKMAN. Beauty culturist union, beauty operators.

Mr. KENNEDY. You were organizing in that?

Mr. ZAKMAN. We were organizing beauticians throughout the Bronx.

Mr. KENNEDY. You were a volunteer, were you?

Mr. ZAKMAN. At the beginning I was.

Mr. KENNEDY. Would you get paid?

Mr. ZAKMAN. \$10 a week expenses.

Mr. KENNEDY. What was your other source of income during that period?

Mr. ZAKMAN. Well, things were pretty bad. It was during the depression. When I got a day's work in the shop or a couple of days work, I would go to work, and in my spare time I would help the union organize.

Mr. KENNEDY. Did you have much luck organizing the beauticians in the Bronx?

Mr. ZAKMAN. It was pretty rough in those days, but we managed to organize them until it became an established local.

Mr. KENNEDY. What local was that?

Mr. ZAKMAN. I believe it was 561.

Mr. KENNEDY. Did you do work for any other unions?

Mr. ZAKMAN. Since then?

Mr. KENNEDY. No; during that period of time.

Mr. ZAKMAN. On 1 or 2 occasions I helped the drug employees union.

Mr. KENNEDY. Again on a volunteer basis?

Mr. ZAKMAN. Yes, sir.

Mr. KENNEDY. Would you get your expenses? Is that all?

Mr. ZAKMAN. No, sir; there wasn't any expenses in those days.

Mr. KENNEDY. During this period of time, were you a member of the Communist Party?

Mr. ZAKMAN. No; during that period of time I was a member of the Young Communist League.

Mr. KENNEDY. The Young Communist League. When had you joined that, Mr. Zakman?

Mr. ZAKMAN. Around 1930, or so.

Mr. KENNEDY. When you were about 17 or 18 years old?

Mr. ZAKMAN. That is right.

Mr. KENNEDY. Then did you ultimately become a member of the Communist Party?

Mr. ZAKMAN. Yes, sir.

Mr. KENNEDY. When did you become a member of the Communist Party?

Mr. ZAKMAN. Around 1937.

Mr. KENNEDY. 1937?

Mr. ZAKMAN. Yes, sir.

Mr. KENNEDY. Did you have any position with the Communist Party?

Mr. ZAKMAN. I was a party organizer for a time.

Mr. KENNEDY. In the New York area?

Mr. ZAKMAN. Yes, sir.

Mr. KENNEDY. New York City?

Mr. ZAKMAN. That is right.

Mr. KENNEDY. Did you also go to Spain?

Mr. ZAKMAN. I did.

Mr. KENNEDY. Would you tell us about that?

Mr. ZAKMAN. Well, in September, sometime during the month of September 1937, I went to Spain as a member of the Abraham Lincoln Brigade. I was in Spain for 16 months, and came home around—somewhere around Christmas of 1938.

Mr. KENNEDY. You stayed there about 16 months?

Mr. ZAKMAN. That is right.

Mr. KENNEDY. Did you have any position with the Abraham Lincoln Brigade?

Mr. ZAKMAN. I was a commissar.

Mr. KENNEDY. You were a commissar?

Mr. ZAKMAN. Right, sir.

Mr. KENNEDY. What are the responsibilities of a commissar?

Mr. ZAKMAN. Well, a commissar is sort of a political adviser. He holds the same military rank as the highest military officer of his particular company. At one stage, the head of our company was a sergeant. That made me, militarily, a sergeant. Later on, the head of the company became a captain, so I received the same pay as a captain, except that a commissar has more authority than the military commander.

Mr. KENNEDY. You say it has more authority?

Mr. ZAKMAN. Yes, sir.

Mr. KENNEDY. You would advise him? You would advise the captain or advise the sergeant?

Mr. ZAKMAN. Well, the commissars would have their own meetings and more or less tell the captains.

Mr. KENNEDY. Was there a commissar for each captain?

Mr. ZAKMAN. There was a commissar for each company and a commissar over the commissars.

Mr. KENNEDY. Then you returned to the United States. Did you go back into the labor-union movement then?

Mr. ZAKMAN. Well, not immediately. I worked in various industries. Of course if there was a strike in my particular industry, I would help out. Sometime in 1942 I started to work for Local 259 of the UAW-CIO on a full-time basis.

The CHAIRMAN. 1952?

Mr. ZAKMAN. 1942, sir.

(At this point, Senator Curtis entered the hearing room.)

Mr. KENNEDY. Was that the local headed by Mickey Finn?

Mr. ZAKMAN. Yes, sir.

Mr. KENNEDY. What happened after that?

Mr. ZAKMAN. Well, I worked there until, I believe, sometime in 1945 and after that, for awhile, I didn't work for any union.

Then I went to work for, I believe it was, Local 642 of the United Auto Workers.

Mr. KENNEDY. Were you not with the Hotel and Restaurant Workers International Union for a while?

Mr. ZAKMAN. Yes, sir; I was.

Mr. KENNEDY. That is local 254 of the AFL?

Mr. ZAKMAN. That is right.

The CHAIRMAN. Senator Ives?

Senator IVES. Mr. Chairman, I would like to ask Mr. Zakman a few questions about his connection with the Communist Party.

I understand that you are no longer a Communist.

Mr. ZAKMAN. That is right, sir.

Senator IVES. I do not think that has yet been developed in the questioning, though I assume it would be.

I would like to ask you a couple of questions in that connection. You were in your teens when you became affiliated with the Young Communist League. Why did you do that? What attracted you about it? At that time, I take it, you were in junior high school, or were you out of high school?

Mr. ZAKMAN. Just about out of high school.

Senator IVES. What caused you to go into the Young Communist League?

Mr. ZAKMAN. Well, there was no work. I was the same as any other young fellow. Most of the people I associated with in my neighborhood were either members of the Young Communist League or their parents were Communists. I listened to a lot of talk.

Senator IVES. Do you mean that that area of New York City was pretty well populated with Communists?

Mr. ZAKMAN. Yes, sir.

(At this point, Senator Kennedy withdrew from the hearing room.)

The CHAIRMAN. What area?

Senator IVES. What part of New York was that?

Mr. ZAKMAN. That was the Bronx.

Senator IVES. The Bronx?

Mr. ZAKMAN. Right.

Senator IVES. I was never given to understand that the Bronx was communistic.

Mr. ZAKMAN. Well, not the entire Bronx, but around Wilkins Avenue there were plenty.

Senator IVES. That is a little different.

Go ahead. Then you went into the Communist Party. Why did you do that?

Mr. ZAKMAN. Well, actually, I didn't go into the Communist Party. When I went to Spain they sort of graduated me into the Communist Party.

Senator IVES. You graduated into the Communist Party? In other words, you started out to be a Communist because you were sort of desperate, you were unemployed and could not get work; is that it?

Mr. ZAKMAN. That is right, sir.

Senator IVES. And you graduated into the Communist Party itself?

Mr. ZAKMAN. That is right.

Senator IVES. I follow you so far. Why did you leave the Communist Party? What happened?

Mr. ZAKMAN. Well, actually, in a certain sense I broke with the Communist Party because of things I saw in Spain, but I did not make a complete break until sometime in 1945.

Senator IVES. In other words, you discovered the Communist Party was not what you thought it was?

Mr. ZAKMAN. That is right, sir.

Senator IVES. And communism was not what you thought it was?

Mr. ZAKMAN. That is right.

Senator IVES. Thank you very much.

The CHAIRMAN. All right, Mr. Counsel.

Mr. KENNEDY. We were up to 1945. You left the Communist Party and you went with the Hotel and Restaurant Workers International Union, Local 254? You were with them for a while?

Mr. ZAKMAN. Yes, sir.

Mr. KENNEDY. And then the UAW-CIO Local 642; is that right?

Mr. ZAKMAN. That is right, sir.

Mr. KENNEDY. Then you went with the International Brotherhood of Electrical Workers, Local 1614?

Mr. ZAKMAN. Yes.

Mr. KENNEDY. The secretary-treasurer of that was Milton Silverman?

Mr. ZAKMAN. Yes, sir.

Mr. KENNEDY. What year is this we are up to about now?

Mr. ZAKMAN. The early part of 1949, I believe.

Mr. KENNEDY. The early part of 1949. How long did you stay then with the International Brotherhood of Electrical Workers?

Mr. ZAKMAN. Slightly less than 1 year. Toward the end of 19—no. It was sometime in 1950.

Mr. KENNEDY. You left then sometime in 1950; is that right?

Mr. ZAKMAN. Yes.

Mr. KENNEDY. During this period of 1950, while you were working for the International Brotherhood of Electrical Workers, did you have a conversation with Mr. Sam Berger, manager of local 102 of the ILGWU?

Mr. ZAKMAN. A conversation pertaining to what, sir?

Mr. KENNEDY. Did you have a conversation pertaining to getting a charter for yourself, to organize?

Mr. ZAKMAN. Yes, sir.

Mr. KENNEDY. What position did you have with the electrical workers?

Mr. ZAKMAN. I was an organizer.

Mr. KENNEDY. And you wanted a charter of your own?

Mr. ZAKMAN. Yes, sir.

Mr. KENNEDY. And you spoke to Sam Berger about that?

Mr. ZAKMAN. Yes, sir.

Mr. KENNEDY. Would you relate to the committee the conversation you had with Mr. Sam Berger?

Mr. ZAKMAN. Well, I asked Mr. Berger if he knew anyone in the United Automobile Workers, AFL. I told him that I had worked with the United Automobile Workers, CIO, and I felt that there was room in New York for the AFL to move in since the CIO had not organized the gasoline stations or thousands of workers in the garages and other such workers. I felt that the AFL could do the job. I told him that—rather, I asked him if he could possibly find out or know anyone that could get me a charter, and I would be glad to help organize a union to organize these industries.

Mr. KENNEDY. What did he say to that?

Mr. ZAKMAN. At that time he said he didn't know at the moment, but if he ever finds out anything he will get in touch with me.

Mr. KENNEDY. Why did you think Sam Berger, of the Ladies' Garment Workers Union, would be able to help you get a charter with the United Automobile Workers, AFL?

Mr. ZAKMAN. Well, I knew that in his position as the head of his local, he would attend conventions where there were other AFL officials, and I felt that at one of these conventions he might meet with some of the officers, and there he might get into a conversation and would find out for me.

Senator IVES. Mr. Chairman?

The CHAIRMAN. Senator Ives.

Senator IVES. I would like to ask Mr. Zakman what his actual trade or profession is, if he has one outside of being an organizer or commissar.

Mr. ZAKMAN. I am a machinist, sir.

Senator IVES. You are a machinist?

Mr. ZAKMAN. Yes, sir.

Senator IVES. How many years did you work at that profession or trade?

Mr. ZAKMAN. I would say about 6 or 7 years, sir.

Senator IVES. Then you discovered you were more cut out to be an organizer?

Mr. ZAKMAN. Well, I always liked the organizing field.

Senator IVES. You were kind of successful at that; is that it?

Mr. ZAKMAN. I wasn't very successful at it.

Senator IVES. Then why did you stay at it?

Mr. ZAKMAN. I just liked that type of work. I was younger, and I had a family, and that was the type of work I liked.

Senator IVES. Yet you say you were not successful at it?

Mr. ZAKMAN. No, sir.

Senator IVES. It is rather anomalous.

Thank you.

The CHAIRMAN. Identify Mr. Berger for us. What was he at the time you had the conversation with him?

Mr. ZAKMAN. He was the manager of local 102.

The CHAIRMAN. The manager of local 102?

Mr. ZAKMAN. Of the International Ladies' Garment Workers Union.

The CHAIRMAN. What kind of a union?

Mr. ZAKMAN. International Ladies' Garment Workers Union, the truck division.

Mr. KENNEDY. Local 102 of the ILGWU, Ladies' Garment Workers Union, does the trucking for the clothing manufacturers, is that right, in New York City, the men's clothing manufacturers?

Mr. ZAKMAN. I believe it is the ladies.

Mr. KENNEDY. The lady clothing manufacturers; is that right?

Mr. ZAKMAN. I believe so.

Mr. KENNEDY. Did he then talk to you again after you had this first conversation with him? Did he talk to you again about getting this charter from the UAW-AFL, for you?

Mr. ZAKMAN. Well, some time passed between our first conversation, and he called me up one day and asked me if I was still interested in a charter, that it might be possible to secure one. I said I was. He said he would let me know if anything further transpired.

Mr. KENNEDY. And then did he bring you up on another occasion and introduce you to some people?

Mr. ZAKMAN. Yes, sir.

Mr. KENNEDY. Did he bring you to the Hampshire House?

Mr. ZAKMAN. Yes.

Mr. KENNEDY. That is a hotel in New York City?

Mr. ZAKMAN. Yes, sir.

Mr. KENNEDY. Did he introduce you to some people at that time?

Mr. ZAKMAN. Yes, sir.

Mr. KENNEDY. To whom did he introduce you?

Mr. ZAKMAN. Mr. Paul Dorfman.

Mr. KENNEDY. Who did you understand Mr. Paul Dorfman was?

Mr. ZAKMAN. I didn't know at that time.

Mr. KENNEDY. Have you found out since who Mr. Paul Dorfman is?

Mr. ZAKMAN. Well, I read in the newspapers.

Mr. KENNEDY. You did not know at all who his contacts were at that time?

Mr. ZAKMAN. At that time I did not know.

Mr. KENNEDY. Did you discuss with Mr. Paul Dorfman the granting of this charter from the UAW-AFL?

Mr. ZAKMAN. No, we didn't have much of a conversation. I was introduced to him, and Berger said, "This is the young fellow that would like to get a charter," and that was about more or less the conversation.

Mr. KENNEDY. Did you understand Mr. Dorfman had any connections at all with the UAW-AFL?

Mr. ZAKMAN. Well, I assumed he probably had some connections if he was able to get a charter.

Mr. KENNEDY. Did you ever learn that he had any connections?

Mr. ZAKMAN. No, sir.

Mr. KENNEDY. Did you understand that he had a personal friendship with Mr. Anthony Doria?

Mr. ZAKMAN. No, I didn't know about any Mr. Anthony Doria at that time.

Mr. KENNEDY. But Mr. Berger brought you up to the Hampshire House to introduce you to Mr. Paul Dorfman and discussed getting this charter from the UAW-AFL?

Mr. ZAKMAN. Yes, sir.

Mr. KENNEDY. Mr. Chairman, at this time, Mr. Paul Dorfman, and since that time, has had no official connection with the UAW-AFL.

Did you understand that following that, Mr. Berger made a trip out to the international headquarters in Milwaukee, Wis., to try to obtain this charter for you?

Mr. ZAKMAN. I didn't know where he went to get the charter, but he called me up and said that a charter would be mailed to us from the international.

Mr. KENNEDY. Did you understand he went to Milwaukee, Wis., to get that charter?

Mr. ZAKMAN. Not at that time, sir.

Mr. KENNEDY. Have you learned since that time that he did?

Mr. ZAKMAN. Yes, sir.

Mr. KENNEDY. What reason would Mr. Sam Berger, the manager of the ladies garment workers local, what reason would he have for going to all of this work for you, Mr. Sam Zakman?

Mr. ZAKMAN. Well, I know that I asked him for the charter. I met him through a mutual acquaintance. I felt as one trade-union leader to another trade-union man, that he was willing to back us, since he had a powerful union.

Mr. KENNEDY. Did you have any official connection with him prior to this time?

Mr. ZAKMAN. No, sir.

Mr. KENNEDY. Had you know him well?

Mr. ZAKMAN. I had met him on a few occasions.

Not too well.

Mr. KENNEDY. Yet he took this trip all the way out to Milwaukee, Wis., to get this charter for you?

Mr. ZAKMAN. Well, as I said before, I didn't know he was going to take any trip, or how much inconvenience there would be incurred in getting this particular charter.

Mr. KENNEDY. Have you learned since what he was going to get out of getting this charter for you?

Mr. ZAKMAN. No, sir.

Mr. KENNEDY. Did you understand at that time that he had a close personal relationship with Mr. Johnny Dioguardi?

Mr. ZAKMAN. No, sir. At that time I had never heard the name of Johnny Dioguardi.

Mr. KENNEDY. You did not know at this time his relationship with Johnny Dioguardi, is that right?

Mr. ZAKMAN. That is right.

Mr. KENNEDY. Subsequently he informed you that the charter would be granted?

Mr. ZAKMAN. Yes, sir.

Mr. KENNEDY. He mailed the charter to you?

Mr. ZAKMAN. I think it was mailed to him.

Mr. KENNEDY. Who were the names that were going on the application for the charter?

Mr. ZAKMAN. Well, the original application—we put our own names down there and names of friends and relatives. We knew we had to have about 15 or 16 names, and those are the names that were on it.

The CHAIRMAN. Did you personally sign an application for a charter?

Mr. ZAKMAN. I believe I did, sir.

The CHAIRMAN. I beg your pardon?

Mr. ZAKMAN. I believe I did, sir.

The CHAIRMAN. Could you recognize your handwriting?

Mr. ZAKMAN. I would.

The CHAIRMAN. I hand you here what purports to be a photostatic copy of "Official application for charter of affiliation under the jurisdiction of International Union, United Automobile Workers of America." It appears to be dated September 12, 1950. I ask you to examine this document and see if you identify it as a photostatic copy of the original which you signed.

(Document handed to witness.)

Mr. ZAKMAN. Yes, sir; I signed this.

The CHAIRMAN. That document will be made exhibit 1.

(The document referred to was marked "Exhibit 1," for reference and will be found in the appendix on p. 3969.)

The CHAIRMAN. Let the witness retain that copy for a moment.

I notice that the signatures on this application seem to be printed, all of them printed, rather than written. Is that your printed signature "Samuel Zakman" that appears third from the top?

Mr. ZAKMAN. Yes, sir.

The CHAIRMAN. Who printed the other names on the application?

Mr. ZAKMAN. I believe I printed some of them. Some I printed.

The CHAIRMAN. Some you printed?

Mr. ZAKMAN. Yes, sir.

The CHAIRMAN. Had the others whose names you printed been contacted, and were they apprised of the fact that their names were being used on this application as petitioners for the application?

Mr. ZAKMAN. Some of them, to my knowledge, whose names I put down there, I informed him about the fact. Some of them, I believe, did not know.

The CHAIRMAN. You informed them before or after you printed their names?

Mr. ZAKMAN. After, sir.

The CHAIRMAN. After you printed their names. Who was present with you when this application was made out, and when you placed or printed your name on it?

Mr. ZAKMAN. Mr. Berger, and George Semelmacher.

The CHAIRMAN. Mr. Berger, and George who?

Mr. ZAKMAN. Semelmacher.

Mr. KENNEDY. Semelmacher.

The CHAIRMAN. Was Paul Dorfman present?

Mr. KENNEDY. No, sir.

The CHAIRMAN. Did he authorize you to use his name?

Mr. ZAKMAN. No, sir.

The CHAIRMAN. Who suggested the use of his name?

Mr. ZAKMAN. It might have been 1 of the other 2 gentlemen; I didn't.

The CHAIRMAN. You didn't. In other words, did you then suggest some names that you could put on here?

Mr. ZAKMAN. I suggested some of the names.

The CHAIRMAN. And they suggested some of them. But the 3 of you, Sam Berger, yourself, and Semelmacher, are the 3 who actually prepared this petition and printed the names on it?

Mr. ZAKMAN. I believe so, sir.

The CHAIRMAN. All right, Mr. Counsel. You may proceed.

Mr. KENNEDY. You have some of your relatives on there?

Mr. ZAKMAN. Yes, sir.

Mr. KENNEDY. Who are your relatives on that first original application?

Mr. ZAKMAN. Esposito, Dwyer, and Jangel.

Mr. KENNEDY. John Dwyer, Albert Esposito, and who is the other one?

Mr. ZAKMAN. Albert Jangel.

Mr. KENNEDY. George Semelmacher, he has another name; does he not?

Mr. ZAKMAN. I believe it is Baker. He had his name changed.

Mr. KENNEDY. Is Semelmacher the German name for Baker?

Mr. ZAKMAN. I believe that is it.

Mr. KENNEDY. So he is known as George Baker and also as George Semelmacher; is that right?

Mr. ZAKMAN. I believe so.

Mr. KENNEDY. You have another name on here, Theodore Ray. Who is Theodore Ray? Who suggested his name?

Mr. ZAKMAN. Well, I didn't, because I didn't know him at that time.

Mr. KENNEDY. Did you know him after that?

Mr. ZAKMAN. Yes, sir.

Mr. KENNEDY. You met him; did you?

Mr. ZAKMAN. Yes, sir.

Mr. KENNEDY. He was an associate of Mr. Johnny Dio?

Mr. ZAKMAN. Yes, sir.

Mr. KENNEDY. Do you understand that he is now under indictment in New York?

Mr. ZAKMAN. Yes, sir.

Mr. KENNEDY. In connection with the throwing of the acid in Victor Riesel's eyes?

Mr. ZAKMAN. Yes, sir.

Mr. KENNEDY. He is under indictment with Mr. Johnny Dioguardi; is that right?

Mr. ZAKMAN. That is right.

The CHAIRMAN. Let me ask you this: How long after you signed this application, after you three printed those names on there, and gave it to Sam Berger, was it before you got your charter?

Mr. ZAKMAN. I would say a couple of weeks, maybe.

The CHAIRMAN. Was it during that period of time that Mr. Berger is supposed to have made the trip to Milwaukee?

Mr. ZAKMAN. I wouldn't know about that, sir.

The CHAIRMAN. You wouldn't know about that?

Mr. ZAKMAN. No, sir.

The CHAIRMAN. You say you never knew that he actually made the trip?

Mr. ZAKMAN. That is right.

The CHAIRMAN. He just told you. He called you and told you that the charter would be mailed to you?

Mr. ZAKMAN. When we made this application out, he said we would send it in and it would be mailed to us.

The CHAIRMAN. All right.

Mr. KENNEDY. Mr. Chairman, the application was made out September 12 and they received a charter on September 18, 6 days later.

After you received the charter from the International Union, UAW-AFL, did you, within a short time, meet Mr. Johnny Dioguardi?

Mr. ZAKMAN. I would say about a few weeks later.

Mr. KENNEDY. What were the circumstances surrounding your meeting? Who introduced you to Mr. Johnny Dio?

Mr. ZAKMAN. I believe it was Mr. Baker.

Mr. KENNEDY. Known also as George Semelmacher?

Mr. ZAKMAN. I had to meet him. I met him down in a restaurant. At that time he introduced me to Mr. Dio.

Mr. KENNEDY. And what business was Mr. Dio in at that time?

Mr. ZAKMAN. I didn't know.

Mr. KENNEDY. Did he express an interest in your newly acquired charter, local 102?

Mr. ZAKMAN. No. When I was introduced to him, they told him that I was the fellow that was going to organize the union, and he said he was very glad to meet me. Then Baker told him that he had secured a headquarters, and he needed a downpayment or a couple of months' rent, or something, and Mr. Dio then loaned him the money.

Mr. KENNEDY. Dio then put up the money for your rent?

Mr. ZAKMAN. Yes; secured the headquarters.

Mr. KENNEDY. You were supposed to do the organizing work. After they secured the headquarters, which was a couple of weeks after you got the charter, Mr. Dio put up the money for the rent for your headquarters; is that right?

Mr. ZAKMAN. That is right, sir.

Mr. KENNEDY. Then you moved along. In October, did Mr. Dio take an active interest in your local, your union, after that?

Mr. ZAKMAN. Not at that time. The first few months he took no active interest.

Mr. KENNEDY. Did he put any money up during those first few months?

Mr. ZAKMAN. Yes; from time to time he would loan us various sums of money.

Mr. KENNEDY. To finance your operation?

Mr. ZAKMAN. Yes, sir.

Mr. KENNEDY. For what reason was Johnny Dioguardi interested in financing the operation of your union?

Mr. ZAKMAN. Well, at that time I didn't know what he was interested in. When I was introduced to him, I was told that he would loan us the money and as soon as we got enough in the treasury we would pay him back. He was a friend of ours, and was to help us.

Mr. KENNEDY. Who was he a friend of? He wasn't a friend of yours.

Mr. ZAKMAN. Well, I hadn't known him.

Mr. KENNEDY. Who was he a friend of?

Mr. ZAKMAN. He could have been a friend of Mr. Berger's or Mr. Baker's.

Mr. KENNEDY. Did you understand that he was a friend of Mr. Berger's or Mr. Baker's at that time?

Mr. ZAKMAN. I assumed so from the conversation.

Mr. KENNEDY. You moved along and you started organizing some shops; did you?

Mr. ZAKMAN. Yes, sir.

Mr. KENNEDY. And Mr. Dio was financing the operation. Were you getting a salary during this period of time?

Mr. ZAKMAN. Yes, sir.

Mr. KENNEDY. Was that money coming from Dio?

Mr. ZAKMAN. Not all of it, because at that time we had a few hundred members that came into the organization.

Mr. KENNEDY. Was he advancing some of the money for your expenses and salary?

Mr. ZAKMAN. Some of it he was.

Mr. KENNEDY. Would you go on and tell us what happened then? Did he take any active control over the operation of the union?

Mr. ZAKMAN. Not at that time.

Mr. KENNEDY. Subsequently?

Mr. ZAKMAN. Subsequently; yes.

Mr. KENNEDY. Did you have conversations preceding that with him about the operation of the union?

Mr. ZAKMAN. Well, he would frequently ask me questions, how we were doing, or would ask me questions how I go about organizing shops. He took a normal interest that anybody would that invested money in anything. He seemed to be very interested. I would have discussions with him about how you go about organizing a plant.

Senator CURTIS. Tell us about that discussion. What answer did you give him as to how you would go about organizing a plant?

Mr. ZAKMAN. Well, I told him that first you approach the people in the plant and find out their grievances. Then you make up the necessary propaganda, the leaflets. Then you attach application cards to these leaflets. You appeal to the workers to join your local. You tell the workers something about yourself in the leaflets. You tell them about some of the things you have accomplished in other similar situations in their industry. You ask them to send in the cards.

After that, then you sign a substantial number of the employees, and you petition for an election. If you win, the employer is required to sit down and negotiate a contract.

Senator CURTIS. Did Johnny Dio agree with that method, or did he suggest there were sometimes more rapid and direct methods?

Mr. ZAKMAN. He made very few suggestions at that time. He used to do a lot of listening and ask a lot of questions, but he didn't make any suggestions that there were other ways.

Mr. KENNEDY. You moved along into the end of 1950 and through early 1951. Did he take any control over the operations then in early 1951?

(At this point, Senator Goldwater entered the hearing room.)

Mr. ZAKMAN. Well, he actually didn't take control until he became business manager.

Mr. KENNEDY. When did he become business manager?

Mr. ZAKMAN. To the best of my knowledge, I believe around June 1951.

Mr. KENNEDY. Prior to that time, did he have an office in your local?

Mr. ZAKMAN. Well, when we moved to the new headquarters, he did have a place.

Mr. KENNEDY. When was that, approximately?

Mr. ZAKMAN. That was, I believe, about a month prior to the time he became business manager.

Mr. KENNEDY. So that would have been about May of 1951?

Mr. ZAKMAN. I believe around that time.

Mr. KENNEDY. Prior to that time, prior to the time you moved into the new headquarters, had you received a new charter from the international?

Mr. ZAKMAN. Yes, sir.

Senator IVES. While you are hunting that up, I would like to ask a question of Mr. Zakman.

What was the membership of your union at the time that Dioguardi took over?

Mr. ZAKMAN. At the time he became business manager, sir?

Senator IVES. Yes.

Mr. ZAKMAN. I would say about 700 or so, 700 members.

Senator IVES. What was the membership when he became president, when he took it over entirely?

Mr. ZAKMAN. I wasn't in the organization at that time, sir.

Senator IVES. You were not a part of it?

Mr. ZAKMAN. No, sir.

Senator IVES. That is as much as you know it ever was—700?

Mr. ZAKMAN. That is about what it was.

Senator IVES. What does that mean in the amount of dues paid? What were the annual dues paid?

Mr. ZAKMAN. They paid \$3 a month.

Senator IVES. \$3 a month, \$36 a year, for 700?

Mr. ZAKMAN. That is right, sir.

Senator IVES. What was the initiation fee?

Mr. ZAKMAN. It varied, from \$2 to \$25, depending upon the situation.

Senator IVES. Why did it vary?

Mr. ZAKMAN. Well, if a shop was a tough shop to organize, and the question of initiation would held back the workers from joining, we would lower the initiation.

Senator IVES. It was a matter of convenience; is that it?

Mr. ZAKMAN. No. It is a question of holding up the entire organization over the question of the few dollars of initiation.

Senator IVES. That is a pretty good thing, it seems to me.

The CHAIRMAN. You spoke a while ago about the first charter you received. That was what date?

Mr. KENNEDY. September 18, 1950.

The CHAIRMAN. September 18, 1950. Did you later apply for a new charter?

Mr. ZAKMAN. Yes, sir.

The CHAIRMAN. For the same local?

Mr. ZAKMAN. Yes, sir.

The CHAIRMAN. What year did you apply for that?

Mr. ZAKMAN. I believe it was the early part of 1951.

Mr. KENNEDY. It was granted April 23, 1951, Mr. Chairman.

The CHAIRMAN. You obtained your first charter September 18, 1950, for local 102, and then you applied for your second charter, or for a new charter, on April 23, 1951. Is that correct?

Mr. ZAKMAN. Yes, sir.

The CHAIRMAN. I hand you here what purports to be a photostatic copy of the application for a new charter and ask you to examine it and state whether you recognize it as a photostatic copy of the original. (A document was handed to the witness.)

Mr. ZAKMAN. I believe it is a true copy, sir.

The CHAIRMAN. It is a true copy. That may be made exhibit No. 2. (The document referred to was marked "Exhibit No. 2" for reference, and will be found in the appendix on pp. 3970-3971.)

The CHAIRMAN. I note on this new application the following in handwriting. It says, "Cancel old charter and reissue to above names."

What new names are on this second application that were not on the first?

Mr. ZAKMAN. There are several new names, sir.

The CHAIRMAN. There are several new names. Among them is Johnny Dioguardi; is that correct?

Mr. ZAKMAN. Yes, sir.

The CHAIRMAN. What do you note there with reference to Johnny Dioguardi? Does it appear to you that his name has been circled and a notation made at the top to send all correspondence to Johnny Dioguardi?

Mr. ZAKMAN. Yes, sir.

The CHAIRMAN. Is that when he took over this union?

Mr. ZAKMAN. This piece of correspondence, as it is right now, was not called to my attention until much later. I had not seen it when it went out. In fact, the first time I had ever seen the circling of his name was when some of the investigators showed it to me.

The CHAIRMAN. In other words, when it went out, you did not know it was going to be circled that way, and sent in in that fashion?

Mr. ZAKMAN. No, sir.

The CHAIRMAN. I notice down at the bottom it says, "Charter reissued 4-23-1951."

Did you ever see that writing on it before?

Mr. ZAKMAN. Not until the members of the committee showed it to me, sir.

The CHAIRMAN. And I notice it says, "Have charter cover" and this is in handwriting, and an arrow points down "Greater New York and vicinity."

Was that handwriting on it when you applied for the new charter, or when you reapplied for it?

Mr. ZAKMAN. No, sir.

The CHAIRMAN. So what actually happened was when this application went in for a new charter and was granted, apparently Johnny Dio took over the whole operation. In other words, he became boss of it?

Mr. ZAKMAN. It was shortly thereafter that he became business manager.

The CHAIRMAN. He became business manager as soon as the new charter was issued?

Mr. ZAKMAN. About a month afterward.

Mr. KENNEDY. Ostensibly, you were still in charge of the union: is that right?

Mr. ZAKMAN. I was the president.

Mr. KENNEDY. You were president of the union and Johnny Dioguardi, first by financing your operations and then by moving in, having an office, was gradually taking over control of the union from you; is that right?

Mr. ZAKMAN. Yes, sir.

The CHAIRMAN. Let me ask you this: Did he suggest this new charter business?

Mr. ZAKMAN. No. This new charter business actually came up during a discussion of the executive board, when, since we had members now, it was felt that it was no more than fair that we put members names on the charter.

The CHAIRMAN. Was Johnny Dioguardi a member at that time of your union?

Mr. ZAKMAN. I believe he was a member of the union.

The CHAIRMAN. You believe he had joined in the meantime?

Mr. ZAKMAN. Yes, sir.

The CHAIRMAN. Did he pay any initiation fee?

Mr. ZAKMAN. Well, that actually wasn't my department. The secretary-treasurer would know best. But in order to get a card, he would have to.

The CHAIRMAN. You don't recall his having paid either \$2 or \$25, do you?

Mr. ZAKMAN. No; I don't recall.

The CHAIRMAN. Did he work in any shop at that time?

Mr. ZAKMAN. No, sir.

The CHAIRMAN. So he was neither eligible nor was he charged an initiation fee.

Senator IVES. Did he pay the \$3 a month regular dues?

Mr. ZAKMAN. He paid his dues.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Also on this second charter, Mr. Chairman, there is a notation saying, "April 22, 1955, Okay, Doria."

Doria at that time was secretary-treasurer of the international, is that right? In 1951, I mean.

Mr. ZAKMAN. Yes, sir.

Mr. KENNEDY. Doria was secretary-treasurer of the international?

Mr. ZAKMAN. Yes, sir.

Senator CURTIS. I would like to ask a question, Mr. Chairman.

The CHAIRMAN. What Doria is that?

Mr. KENNEDY. Anthony Doria, on the left hand side of the chart, Doria, Washburn, and Heaton.

The CHAIRMAN. He was head of the union, was he, at that time?

Mr. ZAKMAN. He was the international secretary-treasurer.

The CHAIRMAN. Senator Curtis.

Senator CURTIS. On that application, I do not know whether the witness can answer this question or not, but maybe the counsel can advise me, this writing and circling directs all correspondence to be carried on with John Dioguardi. What does the evidence show? Was that on the application when it was submitted to the international union, or does that represent a decision made in the international union?

Mr. KENNEDY. We believe, Senator, that it was a decision by the international union, that the writing is Mr. Anthony Doria's writing.

Senator CURTIS. In other words, it would reveal an understanding on the part of Anthony Doria as to what was taking place, that this union was being turned over to Johnny Dioguardi?

Mr. KENNEDY. That is right. And this started with his financing the union's operations in 1950 and continuing in the early part of 1951. Then they put Johnny Dioguardi's name on the application, and made a decision that all correspondence would be sent to Johnny Dioguardi. At the same time, Mr. Sam Zakman was allegedly or supposedly still head of the union and running the union.

The CHAIRMAN. Let me ask you a question.

After this charter was issued, was all correspondence from the national headquarters of the international sent to Johnny Dioguardi?

Mr. ZAKMAN. Well, I know I received correspondence from them myself. They might have sent him a duplicate of all correspondence, whether it was to himself or anyone else. I also received correspondence.

The CHAIRMAN. You also received correspondence?

Mr. ZAKMAN. Yes.

The CHAIRMAN. There might have been some more confidential correspondence that went direct to Mr. Johnny Dioguardi that you didn't see?

Mr. ZAKMAN. That is quite possible, sir.

The CHAIRMAN. Thank you.

Mr. KENNEDY. During 1951, did you start a drive on the taxicabs in New York City?

Mr. ZAKMAN. Yes, sir.

Mr. KENNEDY. And you ran that drive, did you, at least initially?

Mr. ZAKMAN. At the beginning I did.

Mr. KENNEDY. And then Mr. Dioguardi began to take over that drive also?

Mr. ZAKMAN. After I left.

Mr. KENNEDY. Would you explain to the committee the circumstances of your leaving local 102?

Mr. ZAKMAN. Well, there were many circumstances leading up to it. For one thing, there were disputes about the method of organizing.

The CHAIRMAN. About what?

Mr. ZAKMAN. About the methods of organizing. There were disputes about staff members. We didn't see eye to eye on several things.

Senator CURTIS. What was the dispute as to the methods of organizing? Did you want to follow the methods or go along the lines that you stated awhile ago?

Mr. ZAKMAN. Yes, sir.

Senator CURTIS. Who had different ideas on that?

Mr. ZAKMAN. Well, they wanted to use untrained organizers, people who didn't work in the industry. I was opposed to that.

Senator CURTIS. Who are you talking about as "they"?

Mr. ZAKMAN. Well, other members of the executive. Dioguardi.

Senator CURTIS. Dioguardi primarily?

Mr. ZAKMAN. As business manager; yes.

Senator CURTIS. What did he want to do about organizing?

Mr. ZAKMAN. Well, he wanted to organize, but I told him that the only proper organizer to put on the staff is someone who would come from the industry. He felt that anybody could be an organizer who wanted to be one. I told him that when you organize an automobile worker, you should send an automobile worker after him, and the same for dress workers, that you take them right out of the shops. He felt that he could hire them from the street if he felt like it and train them to be organizers.

Senator CURTIS. Is there any difference in the approach that he wanted to make as to the approach that you fellows wanted?

Mr. ZAKMAN. No, sir. At that time he made no other suggestion. He was satisfied the way the organization was going, especially the taxi drive. We were pretty successful in a few short months.

Mr. KENNEDY. Was there anybody in particular that you had objections to as far as working for the union?

Mr. ZAKMAN. Well, I had objections to about 95 percent of those he put on the payroll.

Mr. KENNEDY. Did you object to Joe Curcio, for instance?

Mr. ZAKMAN. Yes.

Mr. KENNEDY. Did you object to Teddy Ray?

Mr. ZAKMAN. Yes.

Mr. KENNEDY. Did you object to Joe Cohen?

Mr. ZAKMAN. Yes.

Mr. KENNEDY. Were these people all brought in by Johnny Dioguardi?

Mr. ZAKMAN. I don't know if they were directly brought in, as you say, but some of them were directly introduced to us through him and some through other people. But I just couldn't go along in putting them on the staff. I felt that I was in charge of the organization, and that I should have the last say as to who would be put on the staff as an organizer.

Mr. KENNEDY. Did you object to Benny the Bug, Benny the Bug Ross?

Mr. ZAKMAN. There is a fellow that did everything wrong and organized better than the rest of them.

Mr. KENNEDY. You didn't object to him?

Mr. ZAKMAN. No; not after I saw what he did.

Mr. KENNEDY. Did Johnny Dioguardi bring him into the organization of 102?

Mr. ZAKMAN. Frankly I don't know how he came in. We just inherited him somehow.

The CHAIRMAN. You inherited him?

Mr. ZAKMAN. We inherited him.

The CHAIRMAN. You don't know who from?

Mr. ZAKMAN. No. The organization was getting bigger and people were coming and going. At times it was pretty difficult to keep up with them.

The CHAIRMAN. Senator Goldwater?

Senator GOLDWATER. Mr. Zakman, you said that Benny the Bug had a little different method of organizing and he brought in quite a few members.

Mr. ZAKMAN. Yes, sir.

Senator GOLDWATER. What was different about his procedure?

Mr. ZAKMAN. Well, Benny, as we call him, used the methods that were used about 40 or 50 years ago. He would just walk into a shop and pull the switch and say, "Everybody out on strike." That is all there was to it.

Everybody thought he was crazy and they would walk out and the boss would sign a contract. It was as simple as that. I know it sounds unbelievable, but he organized many shops by the same methods.

Senator GOLDWATER. By pulling the switch?

Mr. ZAKMAN. He didn't believe in elections at that time.

Senator GOLDWATER. Did he use any other method of persuasion that might have been used 40 years ago?

Mr. ZAKMAN. No. He was a hard worker. He just ran from shop to shop.

Senator GOLDWATER. He did not use any physical approach?

Mr. ZAKMAN. No. He did a lot of yelling and made innuendoes, but I have actually never seen him get into any physical disputes, not while I was with him, anyway.

(At this point, Senator McNamara entered the hearing room.)

Senator GOLDWATER. I was curious to know, and thanks for telling me. I wondered what methods he used that might not be used regularly.

Mr. ZAKMAN. They were completely unethical, but they worked.

The CHAIRMAN. Proceed, Mr. Counsel.

Mr. KENNEDY. You were discussing the disputes that you had with Johnny Dioguardi which eventually led to your resigning from the union.

Did you have a dispute with him at the headquarters?

Mr. ZAKMAN. Well, I had previously resigned once before as a result of him making promotions and putting so many of these people on the staff, but they asked me to continue to stay on for a while longer and reconsider.

When this taxi thing became big, other conflicts and differences of opinion arose and then the newspapers started to lambast Dioguardi. As a matter of fact, I knew Dioguardi several months before I knew his name was Dioguardi. I only knew him as Dio.

I read about him in the New York Post, Murray Kenton's column, one day.

Mr. KENNEDY. So did you raise a question with him, and did you have a fight with him?

Mr. ZAKMAN. At that time I asked him if the article that was about him was true and he asked me if I believed everything that was written

in the papers, that is about the whole explanation he gave me about that.

Mr. KENNEDY. Did he hit you?

Mr. ZAKMAN. No. There have been a lot of stories about that so-called hitting. He didn't hit me. As he stood up there, I bent over to take some of my personal things, and his hand came back and the ring scratched my eye. That is all there was to it. I was never thrown downstairs as some of the papers say.

Mr. KENNEDY. You were not thrown downstairs by him?

Mr. ZAKMAN. No, sir.

Mr. KENNEDY. He just happened to hit you across the eye?

Mr. ZAKMAN. Well, it really wasn't a hit in that sense.

Mr. KENNEDY. It was with his ring?

Mr. ZAKMAN. It was with his ring and it scratched me. It was an accident.

Mr. KENNEDY. And you left the union after that?

Mr. ZAKMAN. I very happily left the union.

Mr. KENNEDY. You were out of it after that, is that right?

Mr. ZAKMAN. Yes.

Mr. KENNEDY. Did you ever have any connection with the taxicab drive there?

Mr. ZAKMAN. No, sir.

Mr. KENNEDY. Did you ever have any connection with Johnny Dioguardi?

Mr. ZAKMAN. I only spoke to him once after that in my life.

Mr. KENNEDY. You went back to work for another union?

Mr. ZAKMAN. No, I organized an independent union at that time.

Mr. KENNEDY. Why did you come to speak to him?

Mr. ZAKMAN. Well, at that time it came to my knowledge that he was made, I believe, a regional director and he had the power to issue charters. I was starting to organize three big shops.

Since I had only a small little local, I knew I could not do it myself. I came over to ask him if he could possibly give me a charter of my own, and if the international would send over some organizers to possibly help me with the situation.

At that time he said he was too busy with the taxi drive and he couldn't help me himself, but he would send me over to Local 136 of the UAW and they would help me. That is the last time I spoke to Mr. Dio.

Mr. KENNEDY. And they helped you out; did they?

Mr. ZAKMAN. No; they didn't help me out because local 512 itself could not exist as such. I began to work for local 136.

Mr. KENNEDY. Local 512 is what?

Mr. ZAKMAN. Well, the first local 512 was an independent union.

Mr. KENNEDY. In that connection, will you tell the committee or relate to the committee how you get a charter for an independent union? What procedure do you have to follow and what have your expenditures been?

Mr. ZAKMAN. Well, there are several procedures. One procedure is you have a group of people, or you organize some shops and get representatives of these shops to sign a petition, as we did the other one, and request a charter.

You send in a letter to almost any union, or the union or your trade and ask them how much it would be, et cetera. In other situations, you do not have to apply to anybody for an independent charter.

You get together a group of people, whoever wants to help you organize a union or if it is the shop you have, you get the people together and vote yourself a name and officers, and you write a normal petition to the National Labor Relations Board, file the normal forms as any other union, and you are a legal union in every sense of the word.

Senator IVES. Do you do this in collusion with management?

Mr. ZAKMAN. No, sir. You do this on your own.

Senator IVES. I wanted to make sure it was not a company union you were talking about.

Mr. ZAKMAN. No, sir; this is an independent union.

Mr. KENNEDY. If you were trying to get a charter from an international? Have you ever heard of the practice of selling charters?

Mr. ZAKMAN. Well, I have heard of it.

Mr. KENNEDY. Do you know if it goes on?

Mr. ZAKMAN. It probably does.

(At this point Senator Kennedy entered the hearing room.)

Mr. KENNEDY. You know that it goes on; do you not?

Mr. ZAKMAN. Well, it does go on, but I do not know exactly who.

Mr. KENNEDY. With some internationalists, are the charters for their locals more expensive than others? Would you give the committee a little bit of that?

I am sure you are not directly involved yourself, but I am sure you can give the committee a little information as to how these things are done.

Mr. ZAKMAN. I myself have worked for many unions. I never bought a charter. If you can organize and you know how to organize, it is not necessary. Once you have membership, they are only too glad to give you a charter.

If you have no membership and you want a charter, you apply to one of these unions. You could apply to the teamsters or to the carpenters or to the Hotel and Restaurant Workers Union, or other such unions, for a charter.

Sometimes they issue you a charter upon the application for just a normal fee. Other times they don't.

Mr. KENNEDY. What has been your knowledge about when they don't? What do you have to do then?

Mr. ZAKMAN. Well, sometimes they want a favor. They want you to put someone on the staff. They would say, "Well, we will give you a charter." Maybe one of the big shots in the international will say, "All right, we will help you out. We will give you a charter. But when your union is running along nicely, we would like to give a couple of jobs out to a couple of friends," or something like that.

That would be one way of returning a favor. Other times, you just ask them how much they want for the charter, period. If you have the finances, you pay for it.

Mr. KENNEDY. You pay for it, if you want it?

Mr. ZAKMAN. For the charter.

Mr. KENNEDY. Are some unions more expensive to get charters from than other unions?

Mr. ZAKMAN. I imagine so.

Mr. KENNEDY. Is there any going price on any of the unions?

Mr. ZAKMAN. No, sir. There is no open market for that.

Senator KENNEDY. Would this sale take place if you had members and wanted to get the charter, or would this be a case where there were no members, that you would have to do them a favor or pay something?

Mr. ZAKMAN. If you had members, they would more or less have to give you a charter, especially if they were in the same trade and you were applying to the same union, because it would break out into a scandal and the people would ask, "Why can't we get a charter?"

But if you did not have members, then there was no one to complain.

Senator KENNEDY. Would the charters of some unions be more valuable than others?

Mr. ZAKMAN. Well, I guess because the unions are more powerful, more important. It would be easier to organize under their charters as against—for instance, certainly a teamsters' charter is better than a beauticians' charter. Nobody gets frightened when they see you picket with a beautician's sign.

The CHAIRMAN. Can we go back just a minute before we pass over this entirely, to this local 102, when you organized it and got your charter? You charged an initiation fee, you said, of from \$2 to \$25. To whom did that money go? Did it go into your treasury or did it go to some of the organizers or individuals?

Mr. ZAKMAN. No, it went into the treasury.

The CHAIRMAN. Did you keep books on your expenditures and on all the dues?

Mr. ZAKMAN. Yes, sir, there were books.

The CHAIRMAN. And of the moneys received up to the time you left the union?

Mr. ZAKMAN. Yes, sir.

The CHAIRMAN. Do you know what became of those records?

Mr. ZAKMAN. No, sir.

The CHAIRMAN. You left it in 1951, sometime, I believe, did you not?

Mr. ZAKMAN. That is right, sir.

The CHAIRMAN. You do not know anything about the records since that time?

Mr. ZAKMAN. No, sir.

The CHAIRMAN. Senator McNamara?

Senator McNAMARA. I do not know whether this happened before I came in or not, but has the present employment of the witness been established?

The CHAIRMAN. The what?

Senator McNAMARA. The present occupation or employment.

The CHAIRMAN. You may state it again. Where are you employed?

Mr. ZAKMAN. I am employed in a custommade lampshade factory in New York City.

Senator McNAMARA. In what capacity?

Mr. ZAKMAN. Production manager.

Senator McNAMARA. Is it a union shop?

Mr. ZAKMAN. No, sir.

Senator McNAMARA. That is all.

Senator KENNEDY. In this period, did you consider that you were acting as an agent for Johnny Dio or as a front for Johnny Dio? You may not want to use that word.

Mr. ZAKMAN. Well, about the time that we started disputing, I saw that I was losing control of the local and I felt that I didn't want to be president anymore. In fact, I raised that question.

I told him that as long as I was president—I raised it at the executive board—as long as I was president, and I was recognized by the public as the head man, that is the way it would have to be.

If I got another title or if I was demoted, I said I would take orders from somebody underneath me, but otherwise, I would not. That I wanted the decisions pertaining to organizing to go to my office and if they did not, I did not want to work there.

One thing led to another and we quibbled and all that. We all terminated our relationship.

Senator KENNEDY. What was Johnny Dio's title at that time?

Mr. ZAKMAN. He was business manager.

Senator KENNEDY. Who appointed him business manager?

Mr. ZAKMAN. I believe the international did.

Senator KENNEDY. So you, as president of the local, were obliged to take orders from Johnny Dio and you told him you would not continue as president, that you had the responsibility and you did not want to take his instructions, and after you left, you felt that that was putting you in an impossible position?

Mr. ZAKMAN. Yes, sir.

Senator KENNEDY. So Johnny Dio was, in fact, in control of the local?

Mr. ZAKMAN. Yes, sir; at that time he was.

Senator KENNEDY. Why do you think it was worth while for Johnny Dio to go to this effort to control this local? What was in it for him? He was not a trade-union man. Why would he want to do that?

Mr. ZAKMAN. Well, for one thing, the union was starting to grow and for another thing the taxi drive was going along pretty nicely. I had told him 30,000 taxidriviers, whoever controlled them in New York City would be a powerful figure in New York.

Senator KENNEDY. Now, do you think Johnny Dio was interested in raising the wages of the taxidriviers or in his own power controlling the taxidriviers?

Mr. ZAKMAN. At that time, to the best of my opinion, I honestly felt that he wanted to make a success of this taxi drive. There were 30,000 people, and it would have brought in a legitimate million dollars a year in income, and it would have made anyone a power in the city.

The taxidriviers would have helped us organize anything that was unorganized. You know how the taxidriviers are.

Senator KENNEDY. It would have gotten \$1 million a year?

Mr. ZAKMAN. Well—

Senator KENNEDY. That is what you and he discussed as the object of this drive; is that correct?

Mr. ZAKMAN. Well, it was a combination of both, sir. I didn't kid myself. Whoever had the 30,000 members would make a nice living and would have a powerful organization and would be secure. Basically, when we started, it was primarily for some security.

Senator KENNEDY. Security for Johnny Dio and those in control?

Mr. ZAKMAN. Not at that time. I worked in many unions and I had a family to support and believe it or not, sir, the workers as such are not the most generous employers themselves. Most of the time I just barely made salary to support my family.

Here was a chance to organize a trade that never had been organized in New York. Certainly, if we did the job, and certainly if we got conditions for the people, there would have been nothing wrong in us remaining as officers.

It would have been a good thing for whoever did control them and it would still be a big thing.

Senator KENNEDY. You got forced out of this "big thing" though?

Mr. ZAKMAN. Well, I didn't care at that time. It didn't make much difference one way or the other and I felt my position was, I didn't know what office I held any more and I just felt I would work again.

Senator KENNEDY. Then Dio became in complete control and you left; is that right?

Mr. ZAKMAN. When I left, I heard later that he did.

The CHAIRMAN. Could you not fire him? Could you not fire Dio?

Mr. ZAKMAN. Could I fire him?

The CHAIRMAN. You were the president.

Mr. ZAKMAN. No, sir; business manager is a higher position than president, according to the constitution of the international.

The CHAIRMAN. And the business manager is appointed from the international?

Mr. ZAKMAN. Yes, sir; or he could be elected by the local itself.

The CHAIRMAN. But this happened to be an international man?

Mr. ZAKMAN. Yes, sir.

The CHAIRMAN. Appointed by the international?

Mr. ZAKMAN. Yes, sir.

The CHAIRMAN. And whenever that is done, whoever holds that position holds a higher position than the president of a local?

Mr. ZAKMAN. Yes, sir.

The CHAIRMAN. He can boss the president of a local?

Mr. ZAKMAN. Well, he could fire you.

The CHAIRMAN. He could fire the president of a local?

Mr. ZAKMAN. That is right, unless they are an elected officer and he could not fire you from your position if you are elected, but he would take you off the payroll.

The CHAIRMAN. He could take you off the payroll. That is a pretty good way to fire someone.

Mr. ZAKMAN. Yes; you would have the title, but you would not be receiving any salary from the local.

The CHAIRMAN. And can he also arrange to have the local taken over in a trusteeship and put you completely out of business?

Mr. ZAKMAN. Yes, sir; he could.

Senator KENNEDY. I have just one more question. You stated, Mr. Zakman, that possibly you could get \$1 million a year if you were successful in organizing the drivers there. Now, did any employer groups ever offer you any money to prevent unionization, or prevent certain wage demands?

Mr. ZAKMAN. Well, we were organizing by the third week, we had started the drive, and I received a telephone call offering me \$25,000.

About a week later, they raised the ante to \$50,000. The third week they raised it to \$75,000. They did not call after that anymore.

Senator KENNEDY. Who called?

Mr. ZAKMAN. They didn't identify themselves, but they asked me if I was interested. At least I reported the conversation and I don't know if anyone else got a telephone call. But I reported this and they didn't identify themselves, but if I was interested and I stated I was interested, they would have arranged a meeting.

Senator KENNEDY. Was it an employer group?

Mr. ZAKMAN. They claimed they represented the employers.

Senator KENNEDY. Do you know if they talked to anyone else in the local?

Mr. ZAKMAN. I don't know, sir.

Senator KENNEDY. Did you refer them to anyone else, or did you just turn them down?

Mr. ZAKMAN. No, sir.

Senator KENNEDY. What did you say? What was your answer to them?

Mr. ZAKMAN. Well, I used a few four-letter words and told them what to do with themselves.

Senator McNAMARA. Your testimony indicates perhaps, by insinuation, that union charters are for sale, at different prices. What kind of unions are you talking about? Are these so-called independent unions that you organize more or less of your own initiative or are you talking about sale of charters from bona fide international unions?

Mr. ZAKMAN. Well, from the majority of bona fide international unions, you could not buy a charter, so to speak. I can best explain it this way: The sale of a charter is not in the sense you just approach someone who can get a charter. The only way to get a charter is if you know someone from within a union, and you might know the second vice president or somebody like that and he would use his influence to get it for you and if you made a private arrangement with him that would be it.

The international as such might be interested in knowing what was going on, but that particular individual would have given you a charter under those circumstances.

Senator McNAMARA. When you are talking about the second vice president, you have somebody in mind?

Mr. ZAKMAN. Any vice president.

Senator McNAMARA. You picked out the second vice president and obviously, you have someone in mind. What is his name?

Mr. ZAKMAN. I really haven't, and I just made that point.

Senator McNAMARA. You skipped the first and you were not talking about the third and you were talking about the second.

Mr. ZAKMAN. I never bought a charter.

Senator McNAMARA. Are you afraid to identify these people and is there any reason? Are you afraid of Dio at this point, or do you have any fear?

Mr. ZAKMAN. I have no fear of him.

Senator McNAMARA. No fear of him at all?

Mr. ZAKMAN. No, sir.

Senator McNAMARA. You are free to testify without any fear?

Mr. ZAKMAN. That is right.

Senator IVES. Mr. Zakman, what was the total amount of money loaned to the local 102 by Johnny Dioguardi?

Mr. ZAKMAN. I believe it was a few thousand dollars up to the time I left.

Senator IVES. Only \$2,000?

Mr. ZAKMAN. A few thousand dollars.

Senator IVES. Was the loan carried on the union books?

Mr. ZAKMAN. To the best of my knowledge it was, at least most of it.

Senator IVES. Did the union ever repay the money to Dio?

Mr. ZAKMAN. Not up to the time I left, sir.

Senator IVES. That is all.

Mr. KENNEDY. We have a list here taken from the bank records of what books were available of local 102, of all of the loans that came into local 102 during this period of time.

Senator IVES. Without objection, this will be put in the record.

Mr. KENNEDY. Perhaps Mr. Zakman could identify it.

Senator IVES. Could you identify this, Mr. Zakman?

This will be exhibit No. 3.

(The document referred to was marked "Exhibit No. 3" for reference and will be found in the appendix on p. 3972.)

(A document was handed to the witness.)

Mr. ZAKMAN. No; I don't recognize all of these figures, sir. I wouldn't be in a position to state if it was so. I do know that up to the time I left there had been a few thousand dollars loaned to us.

The CHAIRMAN. I did not quite understand you. Up to what time? What is that?

Mr. ZAKMAN. A few thousand dollars had been loaned to us, but as far as the larger amount, I don't know, and I don't know about after that.

The CHAIRMAN. In other words, if they were loaned to you, you did not know it.

Mr. ZAKMAN. No. It states in 1950. I would probably know some of that, and part of 1951, but that amount I don't recall if it was near that amount while I was there.

The CHAIRMAN. Do you think the amounts there are excessive for 1950 and 1951 during the time you were with the union?

Mr. ZAKMAN. No; they are not necessarily excessive, sir.

The CHAIRMAN. Do you think that they are inaccurate?

Mr. ZAKMAN. As I stated before, sir, I don't know if these are the exact figures.

The CHAIRMAN. You do not know if they are the exact figures, but from your knowledge would you say that they are excessive or inaccurate, or if they could not be true, that your union did not borrow that much money from Johnny Dio, or Johnny Dioguardi?

Mr. ZAKMAN. Well, they could have borrowed that amount of money. I don't know whether it is all from Johnny Dio, but they could have used that amount of money because they did have a big overhead at that time.

The CHAIRMAN. The witness is not able to identify the document and we will have to have some testimony to identify it. He says he does not recognize it.

Mr. KENNEDY. Mr. Chairman, it is a schedule made by our investigator, taken from the books of local 102 and shows the loans that were

made to local 102 during the period 1950 and 1951 and I believe the loans totaled \$21,380.39 during this pertinent period of time.

I wonder if Mr. Zakman knows anybody else who was loaning money to the union other than Johnny Dioguardi.

Mr. ZAKMAN. No, sir; not at that time.

The CHAIRMAN. These figures will have to be verified by our staff member who took them from the original books.

Senator CURTIS. Were you handling the finances during this period?

Mr. ZAKMAN. No, sir.

Senator CURTIS. You were not making the deposits in the bank?

Mr. ZAKMAN. No, sir. The secretary-treasurer was.

Senator CURTIS. You were not signing the checks?

Mr. ZAKMAN. I was signing checks, two signatures.

Senator CURTIS. Were you in charge of the books, the entries that were to be made?

Mr. ZAKMAN. No, sir.

Senator CURTIS. Were all of the funds handled by the union run through the bank?

Mr. ZAKMAN. To the best of my knowledge; yes, sir.

Senator CURTIS. And while as an officer of the union, you had to sign checks, you did not have a day-to-day knowledge of the books?

Mr. ZAKMAN. No, sir.

Senator CURTIS. And when they would borrow money would there be any note executed?

Mr. ZAKMAN. No, sir.

Senator CURTIS. You never signed a note or contract, that you recall, to repay money to Johnny Dio or to anyone else?

Mr. ZAKMAN. I never did; but the treasurer might have.

Senator CURTIS. The treasurer might have?

Mr. ZAKMAN. Yes, sir.

Senator GOLDWATER. Mr. Zakman, I have a few questions in connection with the current points that are being brought out.

First, why in your opinion was the taxi drive unsuccessful?

Mr. ZAKMAN. I really don't know, sir. I was very much surprised and it was going on quite nicely.

Senator GOLDWATER. There were about 33,000 taxi drivers, I believe, in New York at that time?

Mr. ZAKMAN. Around that figure.

Senator GOLDWATER. How many did you sign up?

Mr. ZAKMAN. Well, when I left we had signed up, maybe, I would say around 5,000 or so.

Senator GOLDWATER. Do you not have any idea why it was unsuccessful after you left?

Mr. ZAKMAN. No, sir.

Senator GOLDWATER. Were Johnny Dio's connections with it instrumental in slowing the drive down?

Mr. ZAKMAN. I really don't know, sir.

Senator GOLDWATER. Have you ever given it much thought?

Mr. ZAKMAN. Well, I don't know, I know by the papers that the teamsters suddenly said it was their jurisdiction and there was a dispute between them.

Senator GOLDWATER. You recognized that these 30,000 or 33,000 men with their potential million-dollar-a-year income would be a

source of power to the officers who controlled that. Did you just drop it when you moved out of that union?

Mr. ZAKMAN. Well, it wasn't something for me to drop. I went out and it was going along, as I said, very well. In fact, they signed up a few thousand more, to the best knowledge I was able to pick up about it. It seemed they were finally going to succeed.

Senator GOLDWATER. Are they organized now?

Mr. ZAKMAN. No, sir.

Senator GOLDWATER. They are not organized to any great extent?

Mr. ZAKMAN. No, sir.

Senator GOLDWATER. Well, Mr. Zakman, getting back to the original 102, I notice that you have with you Mr. Berger and Mr. Dorfman. Can you explain why Berger, as an officer of the International Ladies' Garment Workers Union, and Dorfman, who is an officer of the waste-handlers union in Chicago, were so influential in obtaining a charter for the UAW-AFL?

Mr. ZAKMAN. I don't know, sir.

Senator GOLDWATER. You went to Berger for help in getting this charter?

Mr. ZAKMAN. Yes, sir.

Senator GOLDWATER. Why did you go to him?

Mr. ZAKMAN. We just happened to be talking one day, and I was at that time with the UAW-CIO.

Senator GOLDWATER. You were with the UAW-CIO at that time?

Mr. ZAKMAN. Yes, sir. And we were just talking generalities about unions, and we got to talking and I mentioned there was a UAW-AFL. In fact he didn't at that time seem to even know that such a union existed. I said, "Yes; there is, the original union, the AFL." I said, "I would like to get a charter from that. I wish I knew someone who could get me a charter."

I asked him, "If you ever find anybody who would give me a charter, I would be very much interested in knowing about it."

Senator GOLDWATER. Then did he subsequently come to you and said that he had someone who could help you get a charter?

Mr. ZAKMAN. He said he believed he could get a charter.

Senator GOLDWATER. Did he say that right at the time or later?

Mr. ZAKMAN. Later on; subsequently.

Senator GOLDWATER. It took a period of time?

Mr. ZAKMAN. Yes, sir.

Senator GOLDWATER. Do you recall how much time it took?

Mr. ZAKMAN. I would say from our original discussion up to the time we actually got a charter, it must have been around 9 months, at least.

Senator GOLDWATER. Did Mr. Dorfman get into the picture about that time in your efforts to get this charter?

Mr. ZAKMAN. Well, I met Mr. Dorfman I would say about 8 weeks or so before we secured the charter.

Senator GOLDWATER. That was after you had met Mr. Berger and talked to him about the charter?

Mr. ZAKMAN. Yes, sir.

Senator GOLDWATER. Do you have any idea of the influences they used in obtaining this charter from the UAW-AFL?

Mr. ZAKMAN. No, sir.

Senator GOLDWATER. Now, do you have any idea why their names were placed on the original charter?

Mr. ZAKMAN. No, sir.

Senator GOLDWATER. Here were two men who were members of different unions whose names suddenly appear on the charter for 102, along with yourself and others. Did you give that any thought at the time?

Mr. ZAKMAN. At that time, no, sir. As I said, we had no membership, and we all suggested a few names at the moment in order to be able to send in the necessary amount of names.

Senator GOLDWATER. Did you suggest Mr. Berger's and Mr. Dorfman's names, as appearing on the original charter?

Mr. ZAKMAN. I don't believe I did, sir.

Senator GOLDWATER. Do you recall who did?

Mr. ZAKMAN. Well, there were only three of us: Mr. Berger, and myself, and Baker, and so I know I suggested a few members of my family, but I don't recall suggesting anyone else.

Senator GOLDWATER. How can an officer of the International Ladies' Garment Workers' Union and an officer of the waste handlers' union be officially affiliated with another union such as the UAW-AFL?

Mr. ZAKMAN. Well, actually it is not illegal.

Senator GOLDWATER. You can do that?

Mr. ZAKMAN. Yes, sir.

Senator GOLDWATER. Is it customary?

Mr. ZAKMAN. It is not customary, but sometimes there are union officials who receive honorary memberships in other unions.

Senator GOLDWATER. This wasn't honorary.

Mr. ZAKMAN. No; but, as I said, it is not illegal, and it has been done.

Senator GOLDWATER. Then, did you not say that you were a member of the UAW-CIO at the time you first contacted these men?

Mr. ZAKMAN. Yes, sir.

Senator GOLDWATER. You were a member there of UAW-CIO and the UAW-AFL at the same time?

Mr. ZAKMAN. I was a member of the CIO when I discussed the question with them; but, when I actually came over, I was with the AFL, 1614, International Brotherhood of Electrical Workers.

Senator GOLDWATER. You quit the CIO and went with the AFL?

Mr. ZAKMAN. Yes, sir.

Senator GOLDWATER. That doesn't happen usually, does it? Don't you find a man who is an officer of one union is an officer of that union and none other?

Mr. ZAKMAN. Well, there was only one local in New York City which was supposed to have jurisdiction over the gasoline stations at that time and they were controlled by a Communist clique, and I felt if the AFL came in we certainly could do a better job than they did. That was one of the reasons we asked to get a charter of our own. Local 259 was pretty well known as a left-wing group. Many of the gasoline-station attendants and mechanics would not join. There were many disputes about why the leadership had never been removed, and they haven't been removed until the present date.

Senator GOLDWATER. They have not been removed?

Mr. ZAKMAN. They have not been removed.

Senator GOLDWATER. And those leaders are still identified with the Communist movement?

Mr. ZAKMAN. I don't know if presently they are members of the Communist Party, but I certainly know at that time they were.

Senator GOLDWATER. Would you be in a position to give us their names?

Mr. ZAKMAN. Yes, sir.

Mickey Finn, the head of the union.

Senator GOLDWATER. Mickey Finn?

Mr. ZAKMAN. Yes, sir.

Senator GOLDWATER. Go on.

Mr. ZAKMAN. Sam Myers, and one or two others whose names I don't recall but they are officers of the union. And Charles Reddick.

Senator GOLDWATER. R-e-d-i-c-k?

Mr. ZAKMAN. I believe it is R-e-d-d-i-c-k.

Senator GOLDWATER. I see.

Mr. ZAKMAN. They were all officers of local 259, and to the best of my knowledge are still officers.

Senator GOLDWATER. They were and are still officers?

Mr. ZAKMAN. To the best of my knowledge.

Senator GOLDWATER. Of local 259 of the UAW-CIO?

Mr. ZAKMAN. Yes, sir.

Senator GOLDWATER. And they were at one time and might possibly still be connected with the Communist Party?

Mr. ZAKMAN. Yes, sir.

Senator GOLDWATER. Thank you for that disclosure.

Now, was there anything to the coincidence in the number of this union, 102, and the fact that Mr. Berger was, I believe, an officer of 102 of the International Ladies' Garment Workers' Union and this same number is given to this union that Mr. Berger and Mr. Dorfman and you were actively identified with when the charter was issued?

Why did you get the same number?

Mr. ZAKMAN. I don't think that there was any particular reason at that time.

Senator GOLDWATER. Would there be an advantage to Mr. Berger in having the same number—or, put it this way, in belonging to two unions not affiliated with the same international but having the same number? Would that be an advantage to him, to keep questions off of his belonging to both of them, being an officer in both of them?

Mr. ZAKMAN. He never was an officer of our union. He wasn't an officer.

Senator GOLDWATER. Well, he held an official position. He was on the charter.

Mr. ZAKMAN. No, the charter doesn't mean official position.

Senator GOLDWATER. I asked you before how you happened to contact Berger. As I recall it, you said that you met him and told him of the opportunities in this field, and about 9 weeks later he came back with the information that he thought he could get a charter.

Mr. ZAKMAN. No; when I met him and we discussed it, it took longer than 9 or 10 weeks. It was months before he finally let me know.

Senator GOLDWATER. Was Berger's reputation such that it was well known in New York that he was quite influential in labor matters?

Mr. ZAKMAN. Well, when I met Mr. Berger at that time, I never heard anything detrimental to his character.

Senator GOLDWATER. That wouldn't be detrimental, if he had power.

Mr. ZAKMAN. I mean I didn't know much about him one way or the other.

Senator GOLDWATER. Did you meet him accidentally or on purpose?

Mr. ZAKMAN. No; it wasn't accidentally, nor was it on purpose. It just happened. I believe I was walking with some mutual friend, and he was introduced, and the conversation started, and that is how it led up to it.

Senator GOLDWATER. Do you think that Mr. Dubinsky was aware of Mr. Berger's connection with the 102 charter?

Mr. ZAKMAN. Well, I don't know what Mr. Dubinsky was aware of. There is very little he is unaware of.

Senator GOLDWATER. Would it be possible for one of his officers or one of his locals to be engaged in the obtaining of a charter for an unrelated union without him knowing about it?

Mr. ZAKMAN. It would be possible, sir.

Senator GOLDWATER. It would be possible?

Mr. ZAKMAN. Yes, sir.

Senator GOLDWATER. Do you think that it actually happened?

Mr. ZAKMAN. To the best of my knowledge, I would say so.

Senator GOLDWATER. Do you have any reason to think that Dubinsky did know that Berger was mixed up in this new charter?

Mr. ZAKMAN. No, sir.

Senator GOLDWATER. Do you know Mr. Dubinsky?

Mr. ZAKMAN. I don't know him personally.

Senator GOLDWATER. Did you ever discuss this charter with him?

Mr. ZAKMAN. No, sir.

Senator GOLDWATER. Did Mr. Berger ever discuss the charter with him?

Mr. ZAKMAN. I really don't know.

Senator GOLDWATER. You don't know?

Mr. ZAKMAN. No.

Senator GOLDWATER. Would it have been of assistance in obtaining this charter to have Mr. Berger talk to Mr. Dubinsky about it?

Mr. ZAKMAN. Well, if Mr. Berger spoke to Mr. Dubinsky, it could have helped, but I don't know if he ever spoke to him about it.

Senator GOLDWATER. A word from Dubinsky to those who would issue the charter might help?

Mr. ZAKMAN. It would help to speed up things a bit, but I don't imagine—I think it ought to be clarified that the United Automobile Workers—AFL, was not a difficult union to secure a charter from. Later I found out that there was a charter in New York that never had been used. Someone had sent in \$25, and they always had a charter in their possession and never used it. It was after we had 1 or 2, and I thought we were the first.

Senator GOLDWATER. You didn't know at the time, though, that charters were easy to get from the UAW—AFL?

Mr. ZAKMAN. No, sir.

Senator GOLDWATER. When you started out to get one?

Mr. ZAKMAN. No, sir.

Senator GOLDWATER. Are they still easy to get?

Mr. ZAKMAN. I don't know anything about that union now.

Senator GOLDWATER. Have you heard any rumors that might lead you to believe that they are easy to get?

Mr. ZAKMAN. I have had no association with the labor movement for the last few years.

Senator GOLDWATER. Did Mr. Berger at any time in your conversations mention anything that Mr. Dubinsky might have said about his connection with your charter?

Mr. ZAKMAN. No, sir. I never discussed Mr. Dubinsky with him to the best of my knowledge.

Senator GOLDWATER. That is all I have.

Senator IVES. Mr. Chairman, while we are on this question of Mr. Dubinsky, in view of the fact that his name has been drawn into this discussion the way it has, I think it is most important that Mr. Dubinsky be invited down here to speak for himself. I know he would be only too glad to do so.

The CHAIRMAN. The Chair will say that the Chair announced this morning that Mr. Dubinsky would have an opportunity to appear before the committee.

Senator GOLDWATER. I don't want the senior Senator from New York to think that I was attempting to disparage one of his constituents. But it did seem to me rather strange that with Mr. Berger's position in connection with the International Ladies' Garment Workers Union, that the head of that union—and I know the zealous way in which he guards that union—did not know something about his interest in obtaining a charter for some entirely unrelated purposes. That is the reason that I asked the questions that I did. I certainly agree with the Senator from New York that if there is anything disparaging in my remarks, that Mr. Dubinsky be given an opportunity to visit with us and explain why he did not know that this type of operation was going on.

Senator IVES. Well, Mr. Chairman, before we leave this subject, I do not know of course whether Mr. Dubinsky knew anything about this or not, but I can easily see how it might have occurred without his knowing anything about it. However, I am sure that he would not approve of it if he had known anything about it, knowing Mr. Dubinsky as I do.

The CHAIRMAN. We have information, I think this is correct, that after Mr. Dubinsky found out about it, about a year later, he reprimanded Mr. Berger for it; is that correct?

Mr. KENNEDY. Mr. Berger received a public reprimand from Mr. Dubinsky and from the Ladies' Garment Workers Union for his participation in obtaining the charter for Mr. Zakman and Mr. Dio.

The CHAIRMAN. Whether that was adequate or not I am not prepared to say. My guess is that, as I said this morning, Mr. Dubinsky will be given an opportunity to certainly appear before the committee on any of these matters which may be developed in the course of the hearings and he will be given an opportunity to answer or explain.

Senator McNAMARA. To raise the question, Is Mr. Berger still connected with Mr. Dubinsky?

Mr. KENNEDY. He was suspended or removed from his position as manager of the union in early 1957, I think in February of 1957, and he no longer has any official connection with the Ladies' Garment Workers Union.

Senator GOLDWATER. May I ask this in connection with that same question: Is Mr. Dorfman still connected with the waste handlers union?

Mr. KENNEDY. Yes, sir.

Senator GOLDWATER. He still is?

Mr. KENNEDY. I believe he is.

Senator GOLDWATER. Is he still secretary-treasurer?

Mr. KENNEDY. I believe so.

Senator GOLDWATER. So the waste handlers did not take the same action as Mr. Dubinsky did?

Mr. KENNEDY. The action that the Ladies' Garment Workers Union and Mr. Dubinsky took against Mr. Berger was not as a result of his participating in obtaining a charter for Mr. Zakman and Mr. Dioguardi. It was entirely unrelated. It was for his appearing before a grand jury in New York City, after the ethical practices committee took their position on the fifth amendment. He appeared before a grand jury in New York City and took the fifth amendment, and thereafter Mr. Dubinsky released him.

Senator GOLDWATER. So Mr. Dubinsky did not actually punish him for participating in this action?

Mr. KENNEDY. What happened was that it was a public reprimand.

Senator GOLDWATER. And Mr. Dorfman as far as you know is still secretary-treasurer of his local in Chicago?

Mr. KENNEDY. And I believe, as I pointed out this morning, it is his son who handles the insurance, who is the broker for the insurance, for the teamsters union there.

Senator GOLDWATER. That will be discussed later?

Mr. KENNEDY. Yes, sir.

Senator CURTIS. Mr. Chairman?

The CHAIRMAN. Senator Curtis.

Senator CURTIS. Mr. Zakman, about how long had you known these two men who assisted in forming this union, Mr. Baker and Mr. Berger?

Mr. Baker had another name.

Mr. ZAKMAN. Yes, sir.

Senator CURTIS. How long had you known them?

Mr. ZAKMAN. Well, I met Mr. Baker through Mr. Berger. I knew Mr. Berger, as I said, a few months, and Mr. Baker I didn't know. I met him.

Senator CURTIS. A few months before when?

Mr. ZAKMAN. Before we secured the charter.

Senator CURTIS. Probably sometime in 1948 or 1949?

Mr. ZAKMAN. Yes, sir.

Senator CURTIS. When did you return from Spain?

Mr. ZAKMAN. 1938. Around Christmas.

Senator CURTIS. Around Christmas 1938. What was your work or occupation upon your return from Spain?

Mr. ZAKMAN. Well, for awhile, I worked as a bakery machinist for Tip-Top Bread Co. Then I went to work for the Mack Truck Co., in Long Island City, as a machinist.

Senator CURTIS. Did you continue to work as a machinist up to 1945?

Mr. ZAKMAN. Up to 1942 when I went on the staff of local 259 of the UAW-CIO.

Senator CURTIS. Which union was that?

Mr. ZAKMAN. United Automobile Workers, local 259.

Senator CURTIS. What local number?

Mr. ZAKMAN. 259.

Senator CURTIS. That was probably about 3 years before you severed your Communist connection; is that right?

Mr. ZAKMAN. Yes, sir.

Senator CURTIS. And what position did you hold at that union?

Mr. ZAKMAN. I was an organizer.

Senator CURTIS. Who was the business manager for the union at the time? Do you recall?

Mr. ZAKMAN. The head of the union was Mickey Finn, the president.

Senator CURTIS. That is the same union referred to awhile ago?

Mr. ZAKMAN. Yes, sir.

Senator CURTIS. So they knew of your Communist activities when they hired you as an organizer; is that correct?

Mr. ZAKMAN. Yes, sir. They were all Communists.

Senator CURTIS. They were all Communists.

Were your activities and Communist connections known to these other labor individuals and groups with whom you were active after 1945?

Mr. ZAKMAN. Well, after 1945, when I broke away, and I would work for a different union, I more or less let them know that I had broken with the Communists and assisted in fighting the Communists and have assisted until the present date.

The CHAIRMAN. If you will permit the Chair to interrupt for a moment, before you get away from another matter that has just been discussed here, the Chair has a news bulletin just received today, stating that:

AFL-CIO President Meany today expelled Paul Dorfman, a close associate of teamster vice president, James R. Hoffa, as an officer and member of a small local union in Chicago. Meany said Dorfman was guilty of violating AFL-CIO rules and ethical practices, and of having compromising personalities with an insurance agency doing business with the teamsters.

It goes on to state about some other action being taken against labor leaders that we have had before us.

But that part of it relates to the subject matter here under discussion, and I thought for the information of those who were listening I would give out this news bulletin.

All right, Senator Curtis.

Senator CURTIS. I have just one more question about another matter.

Did you have any feeling at or near the time you left your last union connection, or following that, when the organization drive with the taxi drivers did not go on or anywhere near reach a majority of the 30,000 taxi drivers, that they were perhaps making a payoff to somebody else, even though you turned down the proposition?

Mr. ZAKMAN. No, sir. As a matter of fact, I felt that there was an internal union dispute going on between the teamsters at that time, and local 102 for control of them.

Senator CURTIS. You do not know who that telephone call came from?

Mr. ZAKMAN. No, sir.

Senator CURTIS. You do not know whether it came from employers or whether it came from the teamsters? They said they were employers?

Mr. ZAKMAN. They said they represented the employers.

Senator CURTIS. That is all, Mr. Chairman.

The CHAIRMAN. While Senator Ives was acting as chairman a few moments ago, a certain document, a compilation of figures taken from the records of local 102, UAW-AFL was presented to the witness. I believe he was unable to identify it. That refers to the loans of Dioguardi and others to this local union totaling some \$21,380.39.

When I returned to the chair, I did not understand that this document had already been made exhibit No. 3. Since it has been made exhibit No. 3, it will so remain in the record, and the Chair will produce a member of the staff, a witness, to verify it later.

It will remain in the record where it has been placed by Senator Ives.

Mr. KENNEDY. Mr. Chairman, I just have a few more questions going back to local 102.

Johnny Dioguardi was signing the checks, he was stipuated as the one to sign the checks for local 102, was he not?

(At this point, Senator McNamara withdrew from the hearing room.)

Mr. ZAKMAN. I don't recall when he started to sign the checks.

Mr. KENNEDY. Were you signing them originally?

Mr. ZAKMAN. To the best of my knowledge, I signed them almost until I left, or countersigned them. You have to have two signatures, I think. I was shown checks that he had signed. I don't recall whether it was done slightly before I left the union or just after.

The CHAIRMAN. What did Johnny Dioguardi have to do with signing checks in 1950 before he took over? Rather, in September 1951. Were you still with the union at that time?

Mr. ZAKMAN. Yes, sir; if he was business manager, he could have.

The CHAIRMAN. He was business manager of the union at that time.

Mr. ZAKMAN. Then he would have the authority to countersign the checks.

The CHAIRMAN. He would have authority to countersign the checks.

Mr. KENNEDY. I think the point is, Mr. Chairman, that the record shows at the Trade Bank & Trust Co. there was one signature only. All that was required was Mr. Johnny Dioguardi's signature on the checks.

The CHAIRMAN. I hand you what purports to be a photostatic copy of United Automobile Workers Union Local 102, AFL, a bank card giving the authority for the signing of the checks at the Trade Bank & Trust Co. I will ask you to examine it and see who is authorized to sign checks on your union at that time.

(Document handed to witness.)

Mr. ZAKMAN. I don't know anything about this particular record, sir.

The CHAIRMAN. You do not know anything about that record?

Mr. ZAKMAN. No, sir.

The CHAIRMAN. Do you know Dioguardi's handwriting? Do you recognize that? Do you recognize his signature?

Mr. ZAKMAN. It looks like it might be him.

The CHAIRMAN. It looks like it might be him. If that was presented to the bank by Dioguardi as him being the sole and exclusive officer, as business manager, authorized to sign checks for that union, then at that time you had no authority to sign the checks. Would that not be true?

Mr. ZAKMAN. Well, except that it says here the welfare fund. They might have set up a special fund here, if you will notice it on the bottom.

The CHAIRMAN. There may have been a special fund set up?

Mr. ZAKMAN. Yes, sir.

The CHAIRMAN. Did you know about that special fund?

Mr. ZAKMAN. No, sir.

The CHAIRMAN. So that was a special fund set up that had the authority for him to sign the checks?

Mr. ZAKMAN. No; I don't know anything about this, sir.

The CHAIRMAN. That document may be returned. It will not be made an exhibit at this time.

Proceed.

Mr. KENNEDY. Going on, after you got out of local 102, you ultimately ended up in 512 of the cleaners and dyeworkers?

Mr. ZAKMAN. Yes, sir.

Mr. KENNEDY. During the period of time you were with 512, you were indicted for extortion, you and another official?

Mr. ZAKMAN. Yes, sir.

Mr. KENNEDY. And you ultimately went to jail and paid your penalty, and you are on probation now; is that right?

Mr. ZAKMAN. Yes, sir.

Mr. KENNEDY. And you do not have anything to do with union work, you are employed and you have a wife and three children, as I understand it; is that correct?

Mr. ZAKMAN. Yes, sir.

Mr. KENNEDY. I would like to ask you about a resolution that was passed by local 512, Mr. Zakman, when you and your fellow official, Mr. Leone, were convicted.

The CHAIRMAN. I hand you the resolution counsel has referred to, a copy of it, and I ask you to examine it and see if you recognize it. (Document handed to witness.)

Mr. ZAKMAN. Yes, sir; I recognize it.

The CHAIRMAN. That may be made exhibit No. 4, for reference only.

(The document referred to was marked "Exhibit No. 4," for reference, and may be found in the files of the subcommittee.)

Mr. KENNEDY. It stipulated in there, did it not, that you and Mr. Leone were to receive your salaries while in jail; is that right?

Mr. ZAKMAN. Yes, sir; but we did not.

Mr. KENNEDY. They never paid you?

Mr. ZAKMAN. I haven't received a single penny from them.

Mr. KENNEDY. It says:

Whereas, certain officers, by virtue of their earnestness, sincerity, and diligent efforts to organize membership for this labor organization, become targets of antilabor campaigns to discredit them; and

Whereas, these officers are presently under a cloud and are charged with violations of the penal law of the State of New York; and

Whereas, the executive board of this labor organization is fully aware and cognizant of the circumstances and facts surrounding the charges made against these officers, it is resolved as follows:

1. *Resolved*, That the executive board of local 512, AMPCU-AFL does hereby express, announce, affirm, and reiterate its complete faith, trust, and belief in the integrity of Nicholas Leone and Samuel Zakman;

2. *Resolved*, That the executive board of local 512, AMPCU-AFL, does further affirm its belief that the charges against the aforesaid officers are fabricated, completely false, and devoid of any indecia of truth; that these charges are made for the purpose of hampering labor organizations and discrediting the work of these two labor officers;

3. *Resolved*, That in consideration of the aforementioned, and in further consideration of the work performed by these two labor officers.

Then it goes on that they were going to give you assistance and help, and your family assistance and help, when you went to jail.

But they never gave you that?

Mr. ZAKMAN. They never gave us anything.

Mr. KENNEDY. They never assisted you?

Mr. ZAKMAN. No, sir.

Mr. KENNEDY. That union broke up after that?

Mr. ZAKMAN. Yes, sir.

Mr. KENNEDY. And the officers went into local 875 of the teamsters?

Mr. ZAKMAN. That is what I heard, sir.

Mr. KENNEDY. It became local 875 of the teamsters?

Mr. ZAKMAN. Yes, sir.

Mr. KENNEDY. And some of the officials were transferred over, finally, just prior to the election, into local 875 of the teamsters, is that right?

Mr. ZAKMAN. Well, some of those officials were not officials while I was there, but I heard that they were made officials after, and they were transferred.

Mr. KENNEDY. Do you know what connection Tony "Ducks" Corallo had with local 875?

Mr. ZAKMAN. No, sir.

Mr. KENNEDY. Do you know him at all?

Mr. ZAKMAN. No, sir; I never met him.

The CHAIRMAN. Are there any further questions?

Senator GOLDWATER. Mr. Chairman, I just wanted to make a statement here before we close up.

If management kicked labor around the way it is obvious that some leaders of labor have kicked labor around, we would have a howl going up that would shake the Washington Monument. I want to thank Mr. Zakman for the testimony he has given today. It brings out more and more and more the fact that this uncontrolled, unbridled power that is vested in the leadership of labor has got to come under the scrutiny of law of this country.

The CHAIRMAN. Are there any other comments?

Senator IVES. I would like to comment on that, Mr. Chairman. Unfortunately, to too great an extent, management sometimes has tangled up with that kicking around process, as Mr. Zakman himself knows, and both sides of the picture have to be dealt with, both management and labor, when it comes to kicking around the workers.

Senator GOLDWATER. I think the Senator from New York will agree with me that the labor laws of this country and the laws that pertain to monopoly, the laws that allow management and labor to kick work-

ing people around, are inadequate, to say the least, and they must be revised, and they must be strengthened.

Senator IVES. I think that is what the purpose of these hearings is, to find out where the strengthening should take place.

Senator GOLDWATER. I could not agree with you more.

The CHAIRMAN. Gentlemen, are there any further comments?

If not, the Chair will make this announcement. We are going to conclude for the afternoon, due to the fact that a live quorum call is in process in the Senate Chamber.

There may be a vote afterward, and the members of the committee probably could not get back. Therefore, we will—

Mr. FALK. I am representing Mr. Berger. He is a very sick man, just out of a hospital. They postponed his treatment until tomorrow so he could be here today. I am also under doctor's care.

The CHAIRMAN. Just a moment.

Mr. FALK. Can we have our hearing adjourned until next week? We can come back next week.

The CHAIRMAN. In order to accommodate him—can you get through with him this afternoon, Mr. Counsel?

Mr. KENNEDY. We could have him as the first witness tomorrow.

Mr. FALK. He must be treated tomorrow.

Mr. KENNEDY. Can he not be treated tomorrow afternoon?

Mr. FALK. No. He is getting X-ray treatments. They must be in series. He had a serious operation and now he is getting X-ray treatments. I called last Friday to explain that.

The CHAIRMAN. Senator Curtis, can you return in a few minutes for further testimony if we are not compelled to remain on the floor?

Mr. FALK. We can come back next week.

The CHAIRMAN. It appears that we can have a quorum here. We will undertake to accommodate Mr. Berger as much as possible. We will stand in recess for a few moments until we return from the Senate chamber.

(Members present at the taking of the recess: Senators McClellan, Ives, Goldwater, and Curtis.)

(Brief recess.)

(Members present after the taking of the recess: Senators McClellan and Goldwater.)

The CHAIRMAN. The committee will be in order.

Before proceeding with the next witness, the Chair wishes to announce that in view of Mr. Zakman's testimony regarding Mickey Finn, Charles Reddick, and Sam Myers, in which he referred to them as Communists or former Communists who were in the UAW-CIO, I have had a staff member contact New York and they talked to Mr. John White. Mr. White has watched the television, and I assume he is one of the officials or members of the union, he has watched the hearings and knew what had been stated and testified to by Mr. Zakman.

Mr. White stated that Mickey Finn is president, Charles Reddick is a delegate, that is a business agent, and Sam Myers is a delegate or business agent, and that they knew that this committee was coming in to investigate, and, therefore, they moved in on local 259. He stated that they had justification for doing so because the local was in bad condition.

There was a terrific fight on between Finn and Myers, so that on January 18, 1957, that union, or that local, was placed in administratorship, meaning, I assume, trusteeship. It is administered now by Charles Kerrigan and Emil Mazey.

John White is acting international representative, representing Kerrigan in the union. Joseph Berry represents Mazey.

Finn, Reddick, and Myers are still technically officers, but their powers have been suspended and will remain so until the new election takes place, or proof is presented and charges are heard to disprove them.

Local 259 jurisdiction is auto dealerships and 5 or 6 industrial plants. It has about 4,000 members.

I thought that should go into the record in view of the testimony that has been given by Mr. Zakman.

Senator GOLDWATER. Mr. Chairman, was there any statement as to the present affiliation of these men with the Communist Party?

The CHAIRMAN. I have no information as to their present affiliation with the Communist Party. I do not know whether Mr. White told them about that or not. Apparently he made no comment.

All right, Mr. Berger, will you be sworn?

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BERGER. I do.

TESTIMONY OF SAM BERGER, ACCOMPANIED BY COUNSEL, SAMUEL FALK

The CHAIRMAN. Be seated.

State your name.

Mr. FALK. Samuel Falk.

The CHAIRMAN. Just a moment.

State your name, your place of residence, and your business or occupation, Mr. Berger.

Mr. BERGER. Sam Berger, 350 East 54th Street, New York City; presently unemployed.

The CHAIRMAN. Presently unemployed.

Have you elected to have counsel present with you to advise you as to your legal rights while you testify?

Mr. BERGER. Yes, sir.

The CHAIRMAN. Mr. Counsel, you may now state your name for the record.

Mr. FALK. Samuel Falk, of Falk & Orleans, 165 Broadway, New York City.

On behalf of Mr. Berger, may I ask that these lights be turned off, and that these people who are taking pictures of him every minute be asked to leave? He is a sick man. He is just out of a hospital and he cannot testify under these conditions.

The CHAIRMAN. Just one moment.

The Chair is going to make this observation with respect to that request during the course of these hearings.

The Chair will make this statement, and I think I made the suggestion the other day in executive session, that where a witness makes such request and if he testifies, the Chair will grant such a request.

Where a witness comes in here purposely not to give testimony, but simply to invoke the fifth amendment, the Chair does not intend to grant the request unless the committee overrules him.

Therefore, the Chair would ask the witness whether it is your purpose to testify freely and answer such questions as may be asked you pertinent to the inquiry by members of the staff, counsel, or members of the committee.

Mr. FALK. In the light of the statements that were made by counsel for this committee, and the fact that Mr. Berger is presently under indictment in the southern district of New York, in the United States court, and is being under daily investigation, I have advised him that he should resort to his constitutional rights.

The CHAIRMAN. I see.

All right, gentlemen.

The Chair will state to the witness, if he is not in any physical distress because of illness, but if he is not going to testify, if all he is going to do is take the fifth amendment, I do not see that the lights will greatly distract him from doing that, and, therefore, we will proceed.

Mr. FALK. I respectfully file my objection.

The CHAIRMAN. The objection is noted and overruled.

Proceed, Counsel.

Mr. KENNEDY. Mr. Chairman, we have information that Mr. Sam Berger was manager of local 102 of the ILGWU for some 12 years, up to approximately February 1957.

Is that correct, Mr. Berger?

(At this point, Senator Curtis entered the hearing room.)

Mr. BERGER. I decline to answer on the grounds it may incriminate me.

Mr. KENNEDY. And local 102 of the ILGWU, Mr. Chairman, handles the trucking mainly between 34th Street and 40th Street in Manhattan, handles the trucking for the ladies dress firms in that area. They have contracts between 300 and 350 trucking companies, and these trucking companies are under his jurisdiction; that Mr. Berger has been a friend of Mr. Johnny Dioguardi for some 25 years; that Mr. Berger had a business relationship with Mr. Johnny Dioguardi, or with Mr. Johnny Dioguardi's brother, Tommy Dioguardi, and that business relationship was under the name of "Just Another Corporation."

Would you comment on those facts I have recited, Mr. Berger?

(The witness conferred with his counsel.)

Mr. BERGER. I must decline to answer on the grounds it may incriminate me.

Mr. KENNEDY. Did you have this business relationship with Tommy Dioguardi from 1951 to 1953?

(The witness conferred with his counsel.)

Mr. BERGER. I decline to answer on the same grounds.

Mr. KENNEDY. And was this company that you formed a corporation called Just Another Corporation and you worked under the business name of Flowerland Florist, is that right?

Mr. BERGER. I decline to answer on the grounds that it may incriminate me.

Mr. KENNEDY. And amongst the customers of the Flowerland Florist that you sent flowers to were various of the ladies garment

companies in New York City as well as certain of the trucking companies, is that right? Were they some of your customers?

Mr. BERGER. I must decline to answer on the grounds it may incriminate me.

Mr. KENNEDY. The information we also have is that Mr. Johnny Dioguardi did some work for you in order to obtain some customers for that company.

Mr. BERGER. I decline to answer on the same grounds.

The CHAIRMAN. In declining to answer these questions, the Chair wishes to ask you whether you will state under oath that you honestly believe that a truthful answer to them might tend to incriminate you? (The witness conferred with his counsel.)

Mr. BERGER. Would you repeat that, Mr. Chairman?

The CHAIRMAN. With respect to the questions counsel has asked you now, the Chair asks you whether you are willing to state under oath, and if you do now state under oath, that you honestly believe that a truthful answer to those questions might tend to incriminate you?

Mr. BERGER. I do.

The CHAIRMAN. That is one answer.

All right, proceed.

Mr. KENNEDY. As I stated before, our information is that you have been a friend of Mr. Johnny Dio's for some 25 years, and that back in 1950, approximately September of 1950, you suggested to Anthony Doria and Mr. Paul Dorfman and Mr. Dave Previant, that this charter be granted to Mr. Johnny Dio, a local charter from the UAW-AFL.

Mr. BERGER. I decline to answer on the grounds it may incriminate me.

Mr. KENNEDY. When you appeared before the Senate Subcommittee on Investigations on May 29, 1956, and were asked that question, you said that you had suggested that this charter be gotten from Mr. Johnny Dioguardi. Do you remember that?

(The witnesses conferred with his counsel.)

Mr. BERGER. I do remember appearing before the committee. Whatever I said is in the record. I don't intend at this time to amplify it, as you already have it in the record.

The CHAIRMAN. I will not ask you to amplify it.

Mr. BERGER. That is on the ground that it may incriminate me.

The CHAIRMAN. We will not ask you to amplify it at the moment. We will just ask you if you did not so swear.

(The witness conferred with his counsel.)

Mr. BERGER. Whatever you have in the record, whatever I testified to, that is what I said.

The CHAIRMAN. Let me ask you some of these questions.

Did you state that you helped to get the charter for this union, local 102?

(The witness conferred with his counsel.)

Mr. BERGER. I am not going to answer that question at this time because being under investigation it may tend to incriminate me.

The CHAIRMAN. Let me ask you this: Do you say you remember testifying? You stated, I believe, that you remembered testifying before the committee on May 29, 1956. Is that correct?

(The witness conferred with his counsel.)

Mr. BERGER. That is correct.

The CHAIRMAN. At this time I will ask you if you testified as follows, and these are questions and answers:

Mr. KENNEDY. How long have you been head of that union—
referring to the union local 102.

You answered:

Well, I have been head of it for 12 years.

Is that correct?

That is local 102 of ILGWU.

(The witness conferred with his counsel.)

Mr. BERGER. If I answered it at that time, that was correct. But at this time, I don't want to answer any questions pertaining to that as it may tend to incriminate me.

The CHAIRMAN. I understand you do not want to answer it, but I feel it is the duty of this committee to call your attention to your previous testimony, and give you the opportunity to deny your previous testimony, if it is not true, or to amplify it if you desire to change it in any respect.

I think it is only fair to you that you have that opportunity, since you are now resorting to the fifth amendment, contending that it might tend to incriminate you.

You were asked the question:

Mr. KENNEDY. How long have you been head of that union?

You answered:

Well, I have been head of it for 12 years.

Do you want to make any comment on that or change your testimony?

(The witness conferred with his counsel.)

Mr. BERGER. I have no comment to make at this time, and I don't wish to answer the question. As I have said before, I am under investigation by different Government agencies, and the answers may tend to incriminate me.

The CHAIRMAN. Do you think they would tend to incriminate you any more today than they would have then?

(The witness conferred with his counsel.)

Mr. BERGER. I don't know.

The CHAIRMAN. Well, I do not either.

Let me read you some of these questions here, because they are pertinent to the testimony we have had here today. I want to read them to you and read your answers and see if you wish to deny it or if you wish to amplify it.

Mr. KENNEDY. You have been head of it for 12 years?

Mr. BERGER. That is right.

Mr. KENNEDY. Has it always existed as local 102, ILGWU?

Mr. BERGER. Yes.

Mr. KENNEDY. It has always been under that name. Have you had anything to do with any other unions?

Mr. BERGER. Never.

Mr. KENNEDY. Were you involved at all in this UAW 102? Did you have something to do with that?

Mr. BERGER. No, sir.

Mr. KENNEDY. You had nothing to do with it?

Mr. BERGER. No, sir.

Mr. KENNEDY. Did you work with Johnny Dioguardi to get its charter, to see some people to get the charter?

Mr. BERGER. I helped to get the charter.

Mr. KENNEDY. What did you do on that?

Mr. BERGER. I visited the international office of the United Automobile Workers of the AFL and spoke to the secretary-treasurer, Mr. Doria, and told him that there is some organization work that could be done in New York, there are some fellows that think they know they have some potential members and would he issue a charter to them. That is about the extent.

Mr. KENNEDY. You suggested that the charter go to Johnny Dioguardi?

Mr. BERGER. That I did.

Now, then, do you wish to make any comment on that testimony, your previous testimony, before the committee?

(The witness conferred with his counsel.)

Mr. BERGER. Mr. Chairman, at that time, when I came before the committee, I came before the Committee on Investigation of Government Operations.

The CHAIRMAN. Yes, sir.

Mr. BERGER. And I testified, and I answered all the questions.

Since that time, there is another investigation going on, and it is centered around me. I seem to be a target. In view of that, I cannot and will not answer any questions that I think may tend to incriminate me.

The CHAIRMAN. I understand your position now. But I feel that in all fairness, and for the purpose of this record, I want to read you some of these questions and the answers you gave when when you appeared before the other committee making some investigation along these lines.

Mr. KENNEDY. Were you censured by your own union for taking part in that type of activity?

Mr. BERGER. I was.

Mr. KENNEDY. What has been your relationship with Johnny Dioguardi?

Mr. BERGER. Social.

Mr. KENNEDY. How long have you known him?

Mr. BERGER. About 25 years.

Mr. KENNEDY. Where did you meet him, in New York?

Mr. BERGER. In New York.

Mr. KENNEDY. What year? Approximately 1930?

Mr. BERGER. Somewhere in the 1930's.

Mr. KENNEDY. And you knew his uncle, James Plumeri?

Mr. BERGER. Sure.

And it goes on.

I have read that part that pertains to the securing this charter, which is reflected in your former testimony.

You say now that something has developed since, that you feel that you cannot afford to answer it for the reason that it might tend to incriminate you?

Mr. BERGER. That is right.

The CHAIRMAN. Is that correct?

Well, then, you do not want to deny what you stated under oath to the other committee?

(The witness conferred with his counsel.)

Mr. BERGER. I am not making any comment. I am not denying or admitting.

Mr. KENNEDY. There might have been some confusion, Mr. Berger, on your statement that you answered all questions before the Investigating Committee. In fact, you refused to answer some questions before the investigating committee, also, on the grounds of the fifth amendment.

Mr. BERGER. Yes.

Senator CURTIS. Mr. Chairman?

The CHAIRMAN. Senator Curtis.

Senator CURTIS. Mr. Berger, are you acquainted with Mr. Sam Zakman, who testified here today?

Mr. BERGER. I decline to answer on the grounds it may incriminate me.

Senator CURTIS. Were you present in this hearing room when he testified today?

(The witness conferred with his counsel.)

Mr. BERGER. Yes, sir.

Senator CURTIS. Did you hear his testimony?

Mr. BERGER. Yes, sir.

Senator CURTIS. Did you hear him recite anything that was not true?

(The witness conferred with his counsel.)

Mr. BERGER. I decline to answer on the grounds it may incriminate me.

Senator CURTIS. I did not ask you what he stated. I asked you if you heard him testify to anything that was not true. You must answer yes or not.

(The witness conferred with his counsel.)

Mr. BERGER. I decline to answer on the grounds it may incriminate me.

Senator CURTIS. You cannot tell me whether you heard it or not, whether you heard anything that was not true?

Mr. Berger, are you or have you been an officer in the International Ladies' Garment Workers Union?

Mr. BERGER. I decline to answer on the grounds it may incriminate me.

Senator CURTIS. Do you know whether any of the funds of either local 102 of the International Ladies' Garment Workers Union, or the international organization have been used for political purposes?

(The witness conferred with his counsel.)

Mr. BERGER. I don't know.

Senator CURTIS. That is all, Mr. Chairman.

The CHAIRMAN. All right, Mr. Counsel.

Mr. KENNEDY. Going back to local 102 of the UAW, at that time Mr. Sam Sobel appeared on the application blank, on the original 102 application blank.

Did not Sam Sobel work for the ILGWU at that time?

(The witness conferred with his counsel.)

Mr. KENNEDY. If he did not, I will not pursue it. But our understanding was that he had.

(The witness conferred with his counsel.)

Mr. BERGER. At that time he was working for one of the ILG unions.

Mr. KENNEDY. I was wondering, Mr. Berger, about this. Our information is that when these paper locals were chartered on November 8, 1955, that a number of the officials from the Ladies' Garment Workers Union appeared on those application blanks. Could you tell us anything about that, whether you know anything about that?

Mr. BERGER. I don't know the first thing about any of the paper locals.

Mr. KENNEDY. Do you know George Monica?

Mr. BERGER. Would you repeat the name?

Mr. KENNEDY. George Monica, M-o-n-i-c-a.

Mr. BERGER. Never heard the name.

Mr. KENNEDY. Do you know Joseph Monica?

Mr. BERGER. No, sir.

Mr. KENNEDY. Do you know any Monicas?

Mr. BERGER. Not to my recollection.

Mr. KENNEDY. Do you know David Koch?

Mr. BERGER. No, sir.

Mr. KENNEDY. Do you know Mr. Nick Kaminetzky?

(The witness conferred with his counsel.)

Mr. BERGER. I decline to answer on the grounds it may incriminate me.

Mr. KENNEDY. Do you know Mr. Kaminetzky as Mr. Charles Duke?

Mr. BERGER. I decline to answer on the grounds it may incriminate me.

Mr. KENNEDY. He is known both as Mr. Nick Kaminetzky and Charles Duke.

Do you know that he works for Mr. Tony "Ducks" Corallo?

Mr. BERGER. I decline to answer on the same grounds.

Mr. KENNEDY. Do you know Tony "Ducks"?

Mr. BERGER. I decline to answer on the same grounds.

Mr. KENNEDY. Do you know Carmine Tramunti?

Mr. BERGER. I decline to answer on the same grounds.

Mr. KENNEDY. Is it not a fact that Carmine Tramunti also works for Tony Corallo?

Mr. BERGER. I decline to answer on the same grounds.

Mr. KENNEDY. Were you not out in Burbank, Calif. with Mr. Charles Duke, also known as Kaminetzky?

Mr. BERGER. I decline to answer.

Mr. KENNEDY. In that connection, were you attempting to set up in Los Angeles, Calif., a trucking company?

Mr. BERGER. I decline to answer on the same grounds.

Mr. KENNEDY. Did you have some arrangements with the union out there at that time?

Mr. BERGER. I decline to answer on the grounds it may incriminate me.

Mr. KENNEDY. Are you familiar with the Gilbert Carrier Corp.?

Mr. BERGER. I decline to answer on the grounds it may incriminate me.

Mr. KENNEDY. Do you know Mr. James Hoffa?

(The witness conferred with his counsel.)

Mr. BERGER. Yes, sir.

Mr. KENNEDY. How long have you know Mr. Hoffa?

Mr. BERGER. For many years. I don't know how many.

Mr. KENNEDY. When did you first meet Mr. Hoffa?

Mr. BERGER. I haven't any idea how long ago.

Mr. KENNEDY. Was it 5, 10, 15 years ago?

Mr. BERGER. I wouldn't say. I don't remember.

Mr. KENNEDY. Did you meet him in New York City?

Mr. BERGER. I don't remember exactly where I met him.

Mr. KENNEDY. Have you ever visited him in Detroit?

Mr. BERGER. No, sir.

Mr. KENNEDY. Has he ever visited you at your home?

Mr. BERGER. No, sir.

Mr. KENNEDY. Did you ever arrange for him to meet any people in New York City? Did you ever introduce him to people at his request?

Mr. BERGER. No, sir.

Mr. KENNEDY. Did you ever have any business relationship with him?

(The witness conferred with his counsel.)

Mr. BERGER. I decline to answer on the grounds it may incriminate me.

Mr. KENNEDY. Would you tell the committee what business relationship you have had with Mr. Jimmy Hoffa?

Mr. BERGER. I decline to answer on the grounds it may incriminate me.

Mr. KENNEDY. Did you also have a business relationship with Mr. Johnny Dioguardi?

Mr. BERGER. I decline to answer on the grounds it may incriminate me.

Mr. KENNEDY. Did Mr. Dioguardi have anything to do with the business relationship you had with Mr. Hoffa?

Mr. BERGER. I decline to answer on the same grounds.

The CHAIRMAN. Are you declining to answer because of some physical fear you have of these people, rather than because you think you might involve yourself in some legal problem?

(The witness conferred with his counsel.)

Mr. BERGER. Mr. Chairman, I am not under any physical fear of anybody.

The CHAIRMAN. That is fine. Then we must assume that there have been some transactions that you are most reluctant to relate to the public; is that correct?

(The witness conferred with his counsel.)

Mr. BERGER. I don't know what you assume, but I decline to answer on the grounds that it may incriminate me.

The CHAIRMAN. Proceed, Mr. Counsel.

Mr. KENNEDY. After you obtained this charter, or after you had the relationship with Mr. Johnny Dio in 1950 regarding this charter, did you have any further business relationships with Mr. Dio?

Mr. BERGER. I decline to answer on the grounds it may incriminate me.

Mr. KENNEDY. Have you ever been out socially with Mr. Dio and Mr. Hoffa?

Mr. BERGER. I decline to answer on the grounds it may incriminate me.

The CHAIRMAN. May I ask you if it is because of the character and reputation of Mr. Hoffa and Mr. Dio, or Dioguardi, that causes you to feel the possibility of incrimination, or is it because of some actual involvement in something?

(The witness conferred with his counsel.)

Mr. BERGER. I decline to answer on the grounds it may incriminate me.

Mr. KENNEDY. What we are chiefly interested in, of course, is any negotiation that you conducted with Doria, how you obtained your transportation out to see Doria in Milwaukee. I would like to find out

who paid for that transportation, what your conversations were with Paul Dorfman in this period of time, how he happened to get into it, how Mr. Dave Previant happened to get into this charter of local 102 of the UAW-AFL. Would there be any comments that you would make on any of those matters?

Mr. BERGER. I cannot make any comment at this time. I must decline to answer on the grounds that it may incriminate me.

Mr. KENNEDY. Have you ever met Mr. Hoffa in Detroit?

Mr. BERGER. I decline to answer on the grounds it may incriminate me.

Mr. KENNEDY. I don't understand, when you say you don't refuse to answer whether you know him, why you decline to answer whether you had any business transactions with him.

Mr. BERGER. I must decline to answer on the same grounds.

Mr. KENNEDY. Mr. Chairman, we have some facts that I would like to ask questions about, but it does not seem that we will get very far.

The CHAIRMAN. Ask him a few of them so we might get a general idea of what circumstances cause the witness to feel that he might be incriminated if he answered and told the truth.

Mr. KENNEDY. The first, of course, comes around to what we are chiefly interested in, local 102. Sam Berger's name appears on the original charter of local 102.

The CHAIRMAN. Did you sign your name to the original application for charter of local 102?

(The witness conferred with his counsel.)

Mr. BERGER. I didn't sign anything.

The CHAIRMAN. Did you authorize your name to be submitted as one of the applicants for a charter?

Mr. BERGER. No, sir.

The CHAIRMAN. You knew nothing about it?

Mr. BERGER. No, sir.

The CHAIRMAN. Whoever submitted your name as one of the applicants for a charter did so without your knowledge, consent, or authorization; is that correct?

(The witness conferred with his counsel.)

Mr. FALK. May I have the question repeated, please?

The CHAIRMAN. I say whoever submitted your name, if your name was on the application for the original charter of local 102, whoever did it did so, as I understand your testimony, without your knowledge, consent, or authorization?

Mr. BERGER. That is right.

The CHAIRMAN. Is there anything further, Mr. Counsel?

Mr. KENNEDY. There was some question about the financing of the union, and I was wondering if you assisted or helped finance this union at all.

Mr. BERGER. I decline to answer on the grounds it may incriminate me.

The CHAIRMAN. Do you know about Dioguardi financing it?

Mr. BERGER. I decline to answer on the same grounds.

The CHAIRMAN. Do you know about him taking it over a little later, taking complete charge of it after it had gotten organized?

Mr. BERGER. I decline to answer on the same grounds.

The CHAIRMAN. You know about those activities, do you not?

(The witness conferred with his counsel.)

Mr. BERGER. I decline to answer on the same grounds.

The CHAIRMAN. Mr. Berger, do you feel any sense of obligation whatsoever to union members who have been manipulated in that organization, whose dues you took?

Mr. BERGER. I don't quite understand that.

(At this point, Senator Curtis withdrew from the hearing room.)

The CHAIRMAN. Do you feel any sense of obligation to the union members of this country, whose dues are being taken, who are required to pay dues, to belong to a union, and who are often required to belong to a union to work? Do you feel under any sense of obligation as a citizen of this country to try to cooperate with this committee and help us find out what the facts are so that the Congress of the United States might consider appropriate legislation?

(The witness conferred with his counsel.)

Mr. BERGER. I have always had an obligation to any member of any union, any trade unionist, but I must decline to answer any questions while I am under investigation on the grounds that it may incriminate me.

The CHAIRMAN. In other words, you feel self-preservation, or keeping within yourself any knowledge you may have, is a higher obligation than is your duty to the union member and to the public of the country?

Mr. BERGER. I must decline to answer on the grounds it may incriminate me.

The CHAIRMAN. Is there anything further?

Mr. KENNEDY. That is all, Mr. Chairman.

The CHAIRMAN. Is there anything further?

Do you need him any further?

Mr. KENNEDY. No, sir.

Mr. FALK. May I thank you gentlemen for giving us this opportunity to finish today.

The CHAIRMAN. The witness is excused.

The committee stands in recess until 10 o'clock in the morning.

(Thereupon, at 4:57 p. m., the committee recessed, to reconvene at 10 a. m., Thursday, August 1, 1957.)

(Committee members present at the time of recess: Senators McClellan and Goldwater.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

THURSDAY, AUGUST 1, 1957

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES IN THE
LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee met at 10 a. m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the Caucus Room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Irving M. Ives, Republican, New York; Senator John F. Kennedy, Democrat, Massachusetts; Senator Pat McNamara, Democrat, Michigan; Senator Karl E. Mundt, Republican, South Dakota; Senator Barry Goldwater, Republican, Arizona; Senator Carl T. Curtis, Republican, Nebraska.

Also present: Robert F. Kennedy, chief counsel; Jerome S. Adlerman, chief assistant counsel; Paul J. Tierney, assistant counsel; Robert E. Dunne, assistant counsel; Ruth Young Watt, chief clerk.

The CHAIRMAN. The committee will be in order.

(Members of the select committee present at the convening of the session were Senators McClellan, Ives, Kennedy, and McNamara.)

The CHAIRMAN. Who is your next witness?

Mr. KENNEDY. Mr. Lester Washburn, please.

The CHAIRMAN. Mr. Washburn, will you come around, please.

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. WASHBURN. I do.

TESTIMONY OF LESTER WASHBURN

The CHAIRMAN. Will you state your name, place of residence, and your business or occupation, please, sir?

Mr. WASHBURN. Lester Washburn, Rineland, Wis. I run a summer resort in that area, and I am a builder by trade.

The CHAIRMAN. You have talked to members of the staff, I assume, regarding your testimony, and you know generally the line of interrogation to expect?

Mr. WASHBURN. Yes, sir.

The CHAIRMAN. You also know of your right to have counsel present while you testify to advise you as to your legal rights, do you?

Mr. WASHBURN. Yes, sir.

The CHAIRMAN. You waive counsel?

Mr. WASHBURN. I don't figure it will be necessary, sir.

The CHAIRMAN. Thank you very much.

All right, Mr. Kennedy, proceed.

Mr. KENNEDY. Mr. Washburn, you used to be president of the UAW-AFL, did you not?

Mr. WASHBURN. Yes.

Mr. KENNEDY. That was during what period of time?

Mr. WASHBURN. From 1943 until 1953.

Mr. KENNEDY. You resigned in 1953?

Mr. WASHBURN. Yes, sir.

Mr. KENNEDY. Was that 1953 or 1954, Mr. Washburn? Was it not 1954?

Mr. WASHBURN. I think it was 1953. I may be mistaken on that.

Mr. KENNEDY. I think the record shows 1954.

Mr. WASHBURN. Then it was 1954.

Mr. KENNEDY. Could you tell the committee a little bit of your background, where you were born?

Mr. WASHBURN. I was born in Muskegon, Mich., and later moved to Detroit when I was just a kid, and I spent about 25 years living in Lansing, going to school in Lansing, Mich.

Mr. KENNEDY. What year were you born?

Mr. WASHBURN. 1908. I entered the labor movement in 1933 in Lansing, and that is when I started working.

Mr. KENNEDY. You went to school in Lansing?

Mr. WASHBURN. Yes, sir.

Mr. KENNEDY. How much school did you have?

Mr. WASHBURN. Through the 10th grade.

Mr. KENNEDY. Then you entered the labor-union movement?

Mr. WASHBURN. That is correct.

Mr. KENNEDY. As what, and in what position?

Mr. WASHBURN. Just as a member.

Mr. KENNEDY. Of what union?

Mr. WASHBURN. It was the Federal Labor Union, Automobile Workers Federal Labor Union.

Mr. KENNEDY. What year was that?

Mr. WASHBURN. 1933.

Mr. KENNEDY. Did you become an officer or official of that union?

Mr. WASHBURN. I became recording secretary of that local union shortly after I became a member, and the union was just starting at that time.

Mr. KENNEDY. You were doing some organizational work yourself?

Mr. WASHBURN. Well, yes, like any other member that is interested in organizing a union.

Mr. KENNEDY. Did you obtain any other position with the automobile workers at that time?

Mr. WASHBURN. Well, after the Federal labor unions then were chartered into the International Union of Automobile Workers, I was a delegate to the first constitutional convention.

Mr. KENNEDY. When was that?

Mr. WASHBURN. In 1935. I then became vice president of an amalgamated local embracing all of the automobile workers in Lansing. Then later I became president of that local union.

Then in 1936 I was elected to the international executive board of the Automobile Workers Union.

Mr. KENNEDY. How many members did you have, approximately, at that time?

Mr. WASHBURN. I don't remember, at that time. I would have to get into the records to find out. It was the beginning of the union in 1936 and 1937, at that time.

Mr. KENNEDY. You were organizing the automobile companies at that time?

Mr. WASHBURN. That is right.

Mr. KENNEDY. Would you continue as to your career in 1936 and 1937?

Mr. WASHBURN. I continued as a member of the international executive board, and as such I was regional director of the western half of the State of Michigan from 1936 until 1943, at the time I was elected international president.

Mr. KENNEDY. Did you have anything to do with the so-called Lansing holiday on June 7, 1937?

Mr. WASHBURN. Yes; I was organizational director of that area at the time that that took place.

Mr. KENNEDY. What happened at that time?

Mr. WASHBURN. Well, it involved a small strike, a small plant about 25 people. We organized them and elected officers one night and the next morning the officers all got fired, and we tried to negotiate them back to work and the company went out of town and got "scabs" to take their place, and we immediately, of course, established a picket line and there was an injunction against picketing.

Then one night about 2 o'clock, the police and the sheriff's department came in and dragged 2 women and 9 men out of bed and took them to jail for a misdemeanor of violating an injunction.

That touched off the holiday, and all of the automobile plants the next morning shut down as a protest demonstration.

We felt at that time that with any other average citizen the police would have waited until a decent hour in the morning, and then went and served their warrants, but in this case they just dragged them out of bed, including women, and threw them in jail without any chance to see an attorney or anything else.

By that time, of course, and during that time, even the district attorney in Lansing had made a public statement that the automobile workers were getting too strong and it was time they were stopped. We had a bad time there, and we couldn't even rent a building to hold meetings in, and we had to go out when we couldn't afford it and buy one.

The opposition, I mean, was terrific at that time. We thought this capped it off, and it was a spontaneous situation, and all of the plants shut down, and everybody went downtown and protested with a protest demonstration on the capitol lawn, and the people were finally released from jail that day.

Mr. KENNEDY. Was that the period of the so-called sitdown strike?

Mr. WASHBURN. During that period, yes.

Mr. KENNEDY. Were you the one chiefly responsible for this event, the Lansing holiday?

Mr. WASHBURN. If any one person could be named as being responsible, I suppose it would have to be me; yes, sir.

Mr. KENNEDY. Now, subsequently, in 1937 and 1938, and 1939, was there a split within the UAW between certain factions?

Mr. WASHBURN. Yes. Right from the very beginning, of course, there was a fight for power in the union which got started and come to a climax in late 1938 and early 1939. There were separate conventions and we had our regular convention in March of 1939 and the opposing forces had theirs, I think, some time later in 1939 in Cleveland.

Mr. KENNEDY. What was the basis for the two factions, and what was their dispute?

Mr. WASHBURN. Primarily the question was over communism, and the question of whether Communists were going to get control of the union or whether they weren't. Of course, when it came to a head, there were a lot of personalities involved in it and power politics, but the primary issue was whether or not the Communists were going to take control of the union or not.

Mr. KENNEDY. When the actual split occurred, which group had the greatest in numbers?

Mr. WASHBURN. When the actual split occurred, when we had our special convention in 1939, according to the official local union delegates that were attending our convention, we supposedly figured we had slightly over a majority of the membership.

(At this point Senators Mundt, Goldwater, and Curtis entered the hearing room.)

Mr. WASHBURN. But it changed shortly after that, and John L. Lewis gave his blessing to the other side, and John L. Lewis at that time was very popular among the auto workers, and so the CIO auto workers got the breaks on that.

John L. Lewis was very popular among the auto workers, and he gave his support to the opposition.

Mr. KENNEDY. Who was the first president of your group?

Mr. WASHBURN. Before the split or after the split, do you mean?

Mr. KENNEDY. After the split.

Mr. WASHBURN. After the split, Homer Martin.

Mr. KENNEDY. Who was president of the rival group?

Mr. WASHBURN. R. J. Thomas.

Mr. KENNEDY. Then did the rival group take the automobile shops themselves, and you people had the repair shops; is that what happened?

Mr. WASHBURN. Well, it turned out pretty much that way. We had some automobile shops, and quite a few parts plants, and the union was composed mostly of automobile-parts plants with very few basic automobile plants.

Mr. KENNEDY. Approximately how many people did you have in your union and how many did they have?

Mr. WASHBURN. Well, over what period?

Mr. KENNEDY. Right after the split.

Mr. WASHBURN. Well, right at the time of the split, it was pretty close to 50-50.

Mr. KENNEDY. How many were there in the union altogether?

Mr. WASHBURN. I couldn't give you that figure now.

Senator GOLDWATER. Before we leave this question that counsel was interrogating you on, just a moment ago, namely communism, were you connected with the AFL-UAW at that time?

Mr. WASHBURN. At the time of the split, you mean?

Senator GOLDWATER. Yes.

Mr. WASHBURN. Well, at the time of the split, we were the United Automobile Workers, and we were alined with the Committee for Industrial Organization at that time.

After the split, of course, when John L. Lewis gave his support and blessing to the other side, we had no place to go, and so we reaffiliated with the American Federation of Labor. We originally were affiliated before.

Senator GOLDWATER. Is it true that when the UAW-CIO began to organize they used Communists in the organizing effort?

Mr. WASHBURN. Well, I have very definite opinions on that, sir. But I don't know whether that is pertinent to this particular investigation or not.

Is it, Mr. Chairman?

The CHAIRMAN. What is the question?

Senator GOLDWATER. I wanted to know if Mr. Washburn can recall if Communists were used in the CIO's effort to organize in the automotive field. That was back during the years of 1934 and 1936 and 1937, and the time that we have been discussing here of the sitdown strikes, and so forth.

Mr. WASHBURN. As I say, I have some very definite opinions on that, and I took some very definite sides in that situation, but I am not certain whether that is pertinent, and whether we ought to go into that.

The CHAIRMAN. Just a moment. The question does not call for an opinion. It calls for an answer of fact, if you know. The question is, did they use Communist organizers at that time, and that calls for a question of fact, if you know.

Senator GOLDWATER. I might say, Mr. Washburn, that this question is not prompted out of total ignorance of the subject. The subject has been discussed at some great length in numerous magazine articles and newspaper articles from time to time, but it is very rare that we in the Congress have the opportunity to ask that question of a person who was rather intimately connected with that period.

To let you know why I think it is pertinent we have had just yesterday the disclosure of three more names in the CIO who either were or are Communists. Before the Internal Security Subcommittee as you probably know, there have been already disclosed 12, and I believe a 13th is to come up, who have been or are members of the Communist Party and are connected with the CIO.

Now, if the committees of Congress are constantly bringing that fact out, I think it is necessary to ask a person like you a question like that, so that we can develop this subject further.

Mr. WASHBURN. I have no objection to answering the question, sir, and I just don't think it is pertinent to this investigation. I will say this, however, that I don't know whether those during that period who were in charge of hiring personnel deliberately hired Communists or not, but I am satisfied that they got some during that period.

Senator GOLDWATER. The reasons that we have heard, and the reasons that have been advanced by the majority of the writers who have investigated in this field, is that the Communists were the only people available at that time who understood organizing of that nature. The organizers of the CIO took them on in rather copious quantities for that purpose with the idea that they could dump them later.

Mr. WASHBURN. Well, some people may have thought that, sir, but from my experience the people that came right out of the automobile plants turned out to be the best organizers in the automobile industry.

Senator GOLDWATER. But you feel there were some Communists?

Mr. WASHBURN. I am satisfied that they got some. Whether they were hired deliberately or not, I couldn't say.

Senator GOLDWATER. I notice that one of the reasons that has been advanced for Berger seeking this charter was the fact that a group of garage mechanics were having a dispute with a Communist-controlled union in the UAW-CIO in New York, and I think that was the same union that was referred to yesterday when Mr. Zakman named the three men who he felt either had been or are now Communists in that union.

So that the Communists have continued to pop out of this box. I think testimony like yours is going to be valuable to the CIO, who I know are very anxious to rid themselves of the remaining vestiges of communism. I think we must all agree they took them on in their efforts to organize and found that you could not get rid of them.

Mr. WASHBURN. Certainly I have no objection to helping that work.

Senator GOLDWATER. Thank you very much.

The CHAIRMAN. All right.

Mr. KENNEDY. Now, moving on, Mr. Washburn, during the period 1940 and 1945, were you an officer and did you have some other position in the UAW-AFL?

Mr. WASHBURN. What period?

Mr. KENNEDY. From 1940 on, did you hold some official position?

Mr. WASHBURN. From 1936 on, I was either a member of the international executive board or international president.

Mr. KENNEDY. After the split occurred in the UAW, did you have some position then, some official position?

Mr. WASHBURN. I was a member of the international executive board.

Mr. KENNEDY. Did you have any other position after that? Were you elected to any other position, other than as a member of the executive board?

Mr. WASHBURN. Well, as a member of the international executive board, each member was also a director of organization, or organizational director of a given region, or a given area. All during this period, I was regional director of the western half of the State of Michigan up to 1943 when I was elected international president.

Mr. KENNEDY. In 1943, you were elected international president?

Mr. WASHBURN. That is right.

Mr. KENNEDY. And you remained so until 1953 or 1954; is that right?

Mr. WASHBURN. Yes, sir.

Mr. KENNEDY. Now, in 1949 or 1950, in that period of time, were you approached by Mr. Anthony Doria, who was then secretary-treasurer, was he not, of the UAW-AFL?

Mr. WASHBURN. That is right.

Mr. KENNEDY. Did he speak to you about granting a charter in New York City to Mr. Sam Zakman?

Mr. WASHBURN. Yes, he did.

Mr. KENNEDY. Could you relate to the committee the circumstances?

Mr. WASHBURN. Well, to the best of my recollection, the first contract or the first information I had on the request for a charter was that there was a group of people in a New York local union of the UAW-CIO, which was reported to be Communist dominated, that wanted to get out from under and wanted to find a place to go. They wanted to affiliate with our organization. We didn't have a local union in the metropolitan area of New York at the time, and we were rather interested in being able to establish a beginning there.

Now, that information came to the best of my knowledge to Doria from David Previant, our general counsel.

About the same time, and this is a connection that I have made in my own mind on the matter, Doria was invited by Previant to attend a dinner of the heads of the Central States Drivers Council of the Teamsters Union in Chicago. I wasn't invited. Doria was, and he figured that he was invited mostly because the insurance company that handled the insurance for the Central States Drivers Council was interested in having Doria there so that he could talk to them about our international placing our insurance business with their outfit.

Now, in this meeting, in this dinner, I understood that of course Jimmy Hoffa was there, who was the head of the Central States Drivers Council, and a number of other teamster leaders.

Of course, these insurance people and Paul Dorfman were there, and that was my first knowledge of anything about who Paul Dorfman was.

Mr. KENNEDY. Did you understand he also was interested in getting this charter for local 102?

Mr. WASHBURN. Yes; I found out later, that is after this dinner was over, and Doria was talking about it, and he mentioned Dorfman. I couldn't see his connection in the matter, and in fact I didn't know who he was or what connection he had in the labor movement until some time after that.

Mr. KENNEDY. Did you understand at that time when Doria spoke to you about the granting of this charter, that Johnny Dioguardi was involved in it?

Mr. WASHBURN. No; Johnny Dioguardi wasn't involved in it at the time.

Mr. KENNEDY. You did understand subsequently that he became interested in it?

Mr. WASHBURN. Yes; it didn't take long, and we began to hear a lot about it.

Mr. KENNEDY. Did you understand that he began to take control over local 102?

Mr. WASHBURN. Well, the first that I recollect on it was that suddenly Sam Zakman was out and a person by the name of Johnny Dioguardi was in. I still didn't know too much about it. I didn't know one way or the other who Dio was.

Mr. KENNEDY. Did you understand or learn how he was able to take over this union from Sam Zakman?

Mr. WASHBURN. Well, I soon found out; yes.

Mr. KENNEDY. What did you find out?

Mr. WASHBURN. Well, I just found out that he more or less muscled in and pushed him out. There were no particular details, but I

mean those things happen, and then we began to hear that Dio was financing the deal, and then I began questioning it.

Mr. KENNEDY. Is that the ordinary procedure, to have a private individual finance a union?

Mr. WASHBURN. No, it isn't. That is what I couldn't understand about it.

Mr. KENNEDY. Did you know why Johnny Dio would be so interested as to finance one of your unions in New York City?

Mr. WASHBURN. No, I never could figure that out. The only thing I could do was to guess.

Mr. KENNEDY. What is that?

Mr. WASHBURN. The only thing I could do was guess, and then of course after finding out who Johnny Dio was, and his background, and all of that, then I could only guess the purposes for which he wanted to get into the union movement. I had heard and found out by various sources that he was actually more of a businessman than he was a labor man, and with the number of business connections he was supposed to have, or reported to have, why he would be interested in financing a labor organization, I couldn't understand.

The CHAIRMAN. You didn't think he was particularly interested in the welfare of the laboring people?

Mr. WASHBURN. I never thought so; no, sir. I never thought he was very much interested. I thought actually that it was mob money rather than Johnny Dio's personal money that was in the organization.

The CHAIRMAN. Whose money?

Mr. WASHBURN. It was underworld mob money. I thought, was being put into grab control of unions. That is actually what I thought it was, and whether it was that or his own personal money, I don't know.

Senator KENNEDY. What was Johnny Dio's reputation at that time?

Mr. WASHBURN. Well, at that time I didn't know too much about it, and I was just beginning to gather the information.

Senator KENNEDY. You gathered, as I understand, that he was a businessman.

Did you gather anything else about him?

Mr. WASHBURN. Well, I know, or I had heard and found out from his background that he had served time for extortion, and I had heard and read that he was connected with the so-called Lepke mob, operating in trucking rackets.

Senator KENNEDY. From all you heard as far back as 1950, do you think that any self-respecting union man would associate with Johnny Dio, or anybody interested in the welfare of workers who have any connection with Johnny Dio?

Mr. WASHBURN. Not if they knew his background, and knew what he was operating.

Senator KENNEDY. Was it difficult to find his background at that time?

Mr. WASHBURN. Was it difficult to find his background? No.

Senator KENNEDY. You were able to find it?

Mr. WASHBURN. I found it.

Senator KENNEDY. And you feel that Johnny Dio even then was recognized as a businessman and as a hoodlum, and therefore there was no excuse for any trade unionist who had any responsibilities to

the workers to associate directly or indirectly with Johnny Dio; is that not correct?

Mr. WASHBURN. That is right.

Senator KENNEDY. And it was obvious that as the witness said yesterday afternoon, as to the point of this, particularly in the taxicab situation, as the witness said, was to pick up \$1 million legitimately from the dues of the union members. So it was quite obvious to you, I am sure, that the opportunities to a man like Dio who combined business enterprise with being a hoodlum, were extensive and were obviously not in order to improve the living standards of the workers but to exploit it for his own uses. Is that correct?

Mr. WASHBURN. Yes. Well, the first thing I ran into, that is that I could get ahold of to do something about, was when I found out he was the owner or a part owner of a nonunion dress factory. I raised hell about that, and shortly thereafter he sold it. Or he was reported to have sold it.

Senator KENNEDY. I think that is important. As far back as 1950 all of this was information which could be obtained, even if it were not general information, as to Johnny Dio's character. Therefore, I think it is of interest to this committee that he was permitted to play such a significant part in major labor action in New York City from this date on.

Mr. WASHBURN. That is right.

Senator KENNEDY. It is most unfortunate.

Mr. WASHBURN. As soon as I could get ahold of it, I got a copy of his background from the New York State Crime Commission, of his activities and his associates, and a list of his associates.

I had a pretty good idea of what his motives were, or at least I thought I did, if you can determine anybody's motives in anything.

Senator KENNEDY. You were never under any misapprehension that his motives were to improve the working standards of the workers of New York City?

Mr. WASHBURN. I never thought that was his main objective; no.

Senator McNAMARA. While there is an interruption, in 1950 were you international president of the UAW-AFL?

Mr. WASHBURN. Yes, sir.

Senator McNAMARA. Then were you a party to issuing the charter to Dio?

Mr. WASHBURN. Yes, sir.

Senator McNAMARA. Despite the fact that you knew of his reputation?

Mr. WASHBURN. I didn't know it then. I didn't even know Johnny Dio at the time the charter was issued.

Senator McNAMARA. In 1950, you indicated that you had looked into his background.

Mr. WASHBURN. Oh, no. You see, we didn't hear of Johnny Dio until some time after the charter was issued. The first charter in New York was issued at the recommendation of Sam Berger, and I had never heard of Johnny Dio before that.

Senator McNAMARA. Sam Berger as far as you knew at that time was a responsible individual?

Mr. WASHBURN. Yes. We always had a good respect for the International Ladies' Garment Workers Union, and we had friendly relations with them. Many of the International Ladies' Garment Work-

ers organizers were sent out to the Middle West to help us organize in the early days, and a recommendation coming from the International Ladies' Garment Workers or anybody responsible in it we never questioned.

When Sam Berger who I had never met before or never even heard of in fact, when we found out he was manager of the trucking local for the garment workers, and he was recommending this charter be issued, there was no question about it. We issued the charter.

But at the time we issued the charter, we were told or at least I was told that there was a group of workers, legitimate workers I mean, involved in the request for a charter. We soon found out that that wasn't true.

Senator McNAMARA. To take you back a little bit, you indicate your first activities in the union were in 1933; am I correct?

Mr. WASHBURN. That is right.

Senator McNAMARA. You became a member of the Federal local that was chartered by the AFL directly?

Mr. WASHBURN. That is right.

Senator McNAMARA. Who was heading up the organizing drive? Was that the days of, I can't think of his name, this fellow with the deep voice?

Mr. WASHBURN. The fellow before him, at that time.

Senator McNAMARA. Before him was Collins?

Mr. WASHBURN. Bill Collins was first, and followed by Francis Dillon.

Senator McNAMARA. Then the 1933 period was when Collins was leading the organization?

Mr. WASHBURN. Yes; he was the first director of organization among the auto workers for the AFL.

Senator McNAMARA. And about this time, the NRA came in, and when was that? That was in 1933; was it not?

Mr. WASHBURN. It was in that time; in 1933.

Senator McNAMARA. Were you elected under the NRA as a representative of part of the group of employees of the plants?

Mr. WASHBURN. No. The plant I was working in had the NRA representation, so-called representation plan, but we were already starting organizing at that time, and we would not subscribe to it. We had our own union, our own legitimate union going on a small scale. There were 2 or 3 departments of the plant involved and so we refused to become a part of it.

Senator McNAMARA. You did not enter into the election under the NRA?

Mr. WASHBURN. No.

Senator McNAMARA. What plant was this; the Oldsmobile?

Mr. WASHBURN. Reo Motor Car Co.

Senator McNAMARA. When did the CIO come into being?

Mr. WASHBURN. Well, the CIO actually came into being sometime late in 1936. We had had our first constitutional convention under the AFL in 1935, and then sometime in 1936 there was this top level fight in the AFL over the question of industrial versus craft organizations, and then there were six international unions suspended as a result of that fight. Of course right from the very beginning we of course were industrial union minded, and working in industrial in-

dustry, so-called, and naturally we were working pretty closely with and supporting the industrial union idea.

We were suspended along with five other international unions, including the International Ladies' Garment Workers, the Amalgamated Clothing Workers, Textile Workers, and the Mine Workers.

Senator McNAMARA. You were expelled by whom?

Mr. WASHBURN. By the AFL. The AFL suspended six international unions.

Senator McNAMARA. They did not lift your charter at that time. Did they lift the Federal charter at that time?

Mr. WASHBURN. We weren't Federal then. We had built enough by 1935; we had enough members in our Federal labor unions throughout the country in automobile and automobile-parts plants that the AFL set up an international union and gave us an international charter in 1935.

Senator McNAMARA. This was Homer Martin's day?

Mr. WASHBURN. Homer Martin was the first president.

Senator McNAMARA. Then when you referred to this, actually the CIO was born at that convention at the Fort Shelby Hotel. Is that the time you are talking about, when Dillon was practically eliminated from the picture?

Mr. WASHBURN. When you say "CIO", no; because the CIO comprised a lot more unions than just the automobile workers.

Senator McNAMARA. I am talking about the UAW-CIO.

Mr. WASHBURN. Well, the UAW, the United Automobile Workers were formed officially at the Fort Shelby Hotel convention.

Senator McNAMARA. That is when Dillon practically went out of the picture?

Mr. WASHBURN. Oh, no. That is when Dillon became provisional president of the union. In 1935 when we got our first charter, you see the AFL practice had always been that when they chartered an international union, they would keep it under surveillance and close watch to help.

Senator McNAMARA. Pretty much of a trusteeship; was it not?

Mr. WASHBURN. Sort of a trustee proposition. Dillon was made the provisional president in the 1935 convention. We had our international charter and all of that, but we were still being financed primarily by the AFL.

Senator McNAMARA. Now, in 1936 in the convention—

Mr. WASHBURN. That is when we elected our own officers.

Senator McNAMARA. That is the time that Dillon practically went out?

Mr. WASHBURN. That is when Dillon went out and Homer Martin was then elected to the international presidency.

Senator McNAMARA. That is when you had the break in the UAW, CIO and it was born at that time?

Mr. WASHBURN. In essence, yes. There was actually no break with the federation at that time.

Senator McNAMARA. No; I know.

Mr. WASHBURN. There was no break with the federation.

Senator McNAMARA. That was later?

Mr. WASHBURN. That came later, and we were just pressuring for the right to elect our own officers, and we were still affiliated with the

AFL and we still had our charter. But it was later that the top level fight on the council of the AFL took place, and the six international unions were suspended.

We were included among them because we were pretty much industrial union minded.

Senator McNAMARA. You mentioned a period of time when you had a struggle between what you termed the "Communist element" and the "anti-Communist element" in your union.

Mr. WASHBURN. That is right.

Senator McNAMARA. Was that prior to 1936?

Mr. WASHBURN. No; the big fight came afterward. The big fight started in 1937, and actually the fight in the union probably started in 1937, I think. Finally it blew up in late 1938.

Senator McNAMARA. When did this come to a head? Was that at the Atlantic City convention?

Mr. WASHBURN. It came to a head not in a convention. It started in the 1937 convention, and then there was at that time, we voted conventions every 2 years, and the split actually took place in late 1938 before a convention was called. The result of that split was two separate conventions. There was a separate convention for each side.

Senator McNAMARA. Whom did you consider was the top man in the Communist element in the union at that time?

Mr. WASHBURN. In the union at that time, well, George Addes seemed to be the fellow that wielded the most power.

Senator McNAMARA. He wielded the most power with what you considered the Communist element?

Mr. WASHBURN. It was a so-called bloc that was always supporting the Communist element.

Senator McNAMARA. Supporting the Communist element?

Mr. WASHBURN. I don't know whether George Addes was a Communist or not.

Senator McNAMARA. I don't think that you intended to imply that he was; did you?

Mr. WASHBURN. No; there were lots of people in there, and if I say that, basically it started over the Communist issue. But before it got done, there were a lot of personalities involved in it.

Senator McNAMARA. You do not have any idea of who might have been the topman of the Communist element? It was an unknown person?

Mr. WASHBURN. No; I don't. There were a lot of Communists around, but as far as in the union, I don't know. I could not say whether one was a Communist or not.

Senator McNAMARA. Your record up to now in this hearing indicates that you thought that there was a substantial number of Communists. I presume that you had in mind they were probably Communists and Communist supporters.

Mr. WASHBURN. More supporters than there were Communists, probably.

Senator McNAMARA. I would think that you would want the record to show that, and I do not think you would want to show, as it does up to this point, that there were this number of Communists in your union. Did you want to show that?

Mr. WASHBURN. What is that?

Senator McNAMARA. You did not want to show that there was this number of Communists in your union; did you?

Mr. WASHBURN. No.

Senator McNAMARA. You did not want to leave the record that way?

Mr. WASHBURN. Oh, no; not particularly.

Senator McNAMARA. There were probably people who were taken in, more or less.

Mr. WASHBURN. A lot of people were taken in; yes.

Senator McNAMARA. You were not one of them, I am sure.

Mr. WASHBURN. No. Right early in the game I found out what the deal was.

Senator McNAMARA. That is all.

Senator GOLDWATER. To get back to that point, I don't believe that I left the inference with you that the AFL employed Communists to organize; did I?

Mr. WASHBURN. No.

Senator GOLDWATER. My questions were directed to the rather well-known fact that the CIO in their efforts to organize the auto workers employed Communists as organizers, and I did not, I hope, leave the inference that the CIO membership was or is predominantly Communist; did I leave that in your mind?

Mr. WASHBURN. I don't think so; I hope my answer did not infer that the CIO or the AFL deliberately hired any Communists. I think that I said that I believed they got some.

Senator GOLDWATER. That is exactly the answer that you gave, and it substantiates what investigations have brought out from time to time. I did not, as Senator McNamara I believe misunderstood, leave the impression that it was entirely a Communist movement. I think it was a very regrettable thing that at that period in labor's history, those who were attempting to organize the CIO, and the CIO particularly in the Michigan and Indiana area, felt they had to go to Communists to obtain good organizers under the impression they could get rid of them when they wanted to. I think that they have since found out that they cannot get rid of Communists as easily as they thought, because they are still popping up in congressional investigations.

That was the fact Senator that I wanted to bring out, inasmuch as Mr. Washburn had been most cooperative in revealing the history or part of the history of the development of the CIO. It is a very interesting part of labor's history, and I hope during the course of our investigations we can bring it out. It is entirely different than anything that the American Federation of Labor ever dreamed of doing, or would have even allowed to have happen within their ranks.

Senator McNAMARA. There seems to be some misunderstanding. For sure, I had no reference in my line of questioning to anything that you had said. I am sure if there is a misunderstanding it is completely on your part. I was in no manner referring to your questions. You had your questions and answers, and I did not have them in mind. I do not understand this involving me in this.

Senator GOLDWATER. Possibly I did misunderstand you, but I thought that you might be trying to erase from the record any reference that I might have made to the fact—

Senator McNAMARA. That was the last thought in my mind.

Senator GOLDWATER. That is fine.

Senator CURTIS. Mr. Washburn, I am interested in knowing to what extent various labor leaders knowingly worked with and mingled with convicts, lawless people, and the like. Do you know what Johnny Dio's reputation was in 1950 and 1951 among the people with whom you associated?

Mr. WASHBURN. I didn't know until after he became connected with our union, and I began to hear some things, and then I began to get into it and find out just what his background was.

Senator CURTIS. When did you first learn that he was an individual that lived outside of the law?

Mr. WASHBURN. Well, my first information on that came from a telephone call from somebody in New York City who claimed that he knew me when I was in the CIO.

Senator CURTIS. I am not asking that we reiterate all of the testimony that has gone before here this morning. But I would like to ask you now, what labor leaders in particular would you say knew Dio well and were friendly with him?

Mr. WASHBURN. You mean——

Senator CURTIS. You do not have to give the details.

Mr. WASHBURN. Based on what I know now?

Senator CURTIS. Yes.

Mr. WASHBURN. Well——

Senator CURTIS. Who, for instance, in the teamsters union?

Mr. WASHBURN. Well, Jimmy Hoffa. He associated with Jimmy Hoffa, and those surrounding Jimmy Hoffa.

Senator CURTIS. That was was rather frequent and continuous?

Mr. WASHBURN. Well, to my best information, Jimmy Hoffa considered Johnny Dio his friend, and they were together in numerous meetings that I also attended, such as AFL conventions, and he was also considered to be a friend of Johnny O'Rourke in New York, of the teamsters union, and he was also considered to be friends with, I don't know their names, but there were a couple of teamster local officials in San Diego, Calif., and through those contacts, through Johnny Dio's contacts or his influence introduced to Doria, and Doria then became interested in doing some work in the San Diego area.

Senator CURTIS. In unions other than the teamsters, who were some of Dio's pals and close friends and individuals who cooperated with him?

Mr. WASHBURN. Well, there were some of course in the ILGWU, in New York.

Senator CURTIS. Who, for instance?

Mr. WASHBURN. Well, Sam Berger was considered to be a friend. In my investigation of Johnny Dio, I had our educational director while he was attempting an educational conference in New York with some of the ILG people, a fellow by the name of Elder, who was on the educational staff of the ILG, and Marc Starr was in this conference, and our educational director was Francis Henson. I asked him when he went to this conference, since he was going to be in contact with ladies garment workers people, if he would try and find out everything he could about Johnny Dio in the New York situation, and to see if we could get something that we could use to get rid of him, and get him out of our union.

He was referred to a vice president of the ILG, because Dave Dubinsky was out of town, and this vice president, whose name I can't

recall, was sort of a liaison man between the international headquarters of Mr. Dubinsky and the New York Central Labor Union.

In other words, he was active in New York.

Mr. Henson went to this vice president of the ILG, and this vice president told Mr. Henson that Johnny Dio was O. K., and he was a good man.

Senator CURTIS. That was at a time when there was no reason why this vice president should not have known Johnny Dio's true character?

Mr. WASHBURN. I was satisfied that he did know. I was also satisfied that Dave Dubinsky knew.

Senator CURTIS. What makes you say that?

Mr. WASHBURN. Well, because Johnny Dio, I mean, was reported by all of the facts, that is of all of the history and his record, that he was connected with the old Lepke mob, connected with the garment rackets, and in the trucking rackets in the garment industry, and how could Dave Dubinsky not have known Johnny Dio?

Senator CURTIS. Now, in any other unions, other than the garment workers and the teamsters, who were some of Johnny Dio's pals?

Mr. WASHBURN. That I can't tell you. That I don't know. I know he associated with different people around the AFL conventions, but to pin it down, I couldn't tell you that.

Senator CURTIS. Well, it is a fair assumption on the part of this committee or anyone else, that these people who did work with Johnny Dio and any other criminal element in New York, were not innocently and blindly led into any such contact, were they?

Mr. WASHBURN. Well, that is a hard one, sir, to answer. A lot of people can be innocently led into something.

Senator CURTIS. If they continued on?

Mr. WASHBURN. Well once they knew the background, they wouldn't be continuing innocently. I would agree with you on that.

Senator CURTIS. The point is, the background was available, and well known to those who were concerned, is that not right?

Mr. WASHBURN. That is right.

Senator CURTIS. That is all, Mr. Chairman.

Senator IVES. Mr. Chairman, I would like to ask Mr. Washburn a question because of what appears to be his long experience and broad experience in the labor movement. He apparently has had experience in the labor movement when the Communists were active.

Mr. WASHBURN. That is right.

Senator IVES. And being used by certain elements in the labor movement to expand. Now he has been active in the labor movement when during a period of time racketeers have been engaged in obtaining control of certain labor organizations.

I am just curious to know whether he has sized things up yet so that he has an idea as to which is worse as a factor in the labor movement: the Communists or the racketeers.

Mr. WASHBURN. Personally, I would say the racketeers, sir.

Senator IVES. That is the way it seems to me because I think that they can do a great deal more damage to the country than the Communists.

Mr. WASHBURN. Well, I don't know which would be true in the long run. I never agreed with the Communists, and I always fought them

in the union, but I will say this: They would fight for conditions and when you would find a guy connected with the Communists, he was always fighting for the conditions for the workers and they were not signing sweetheart agreements, as a rule.

But I don't want to give them my blessing by that statement. But I would say that as far as the racketeers, I would say that they were worse.

Senator IVES. We know that both elements, both the Communist—

Mr. WASHBURN. In the labor movement, whether it's Government or what phase of our society it is, I think racketeers can be more dangerous than anything else.

Senator IVES. I think so, too, and we know both of them are undermining our society.

Mr. WASHBURN. That is right.

Senator IVES. It is a question of which one is doing the greater damage, and I think from what I know about it, you have sized it up about right; I want to thank you for your observations.

Senator McNAMARA. Mr. Chairman, if I might ask a question.

Senator MUNDT, I would be glad to yield to you if you want to pursue this phase of it.

Senator MUNDT. It does not make any difference.

Senator McNAMARA. You mentioned a name that is very familiar to me, a fellow who was prominent in Michigan and Detroit for a long time, Arthur Elder, who died a couple of years ago.

Mr. WASHBURN. That is right.

Senator McNAMARA. What reference did you make to Arthur Elder?

Mr. WASHBURN. Arthur Elder, I merely mentioned his name in that he was working at the time for the International Ladies' Garment Workers Union in their educational department along with Marc Starr.

There was a conference in New York at which our educational director was invited to attend. He did attend and I asked our educational director, Mr. Henson, to contact Arthur Elder and Marc Starr, and anybody else who would give him some leads in the International Ladies' Garment Workers Union, who could give us some information on Johnny Dio.

I was trying or I was asking him to do a little investigating for me when he was on that trip.

Senator McNAMARA. There was no insinuation that Arthur Elder had any contact with Dio?

Mr. WASHBURN. Absolutely not.

Senator McNAMARA. I wanted the record to show that.

Mr. WASHBURN. Arthur Elder, in my book, is very high caliber.

Senator McNAMARA. I agree thoroughly.

Senator MUNDT. Mr. Washburn, you have testified to the fact that you, having discovered Dio's background, endeavored to oust him and were outmaneuvered in your efforts.

Now, my question is, in your opinion, what was the reason that a racketeer like Dio would want to get into the labor-union movement and seek positions of control. What was his motive? What was the advantage to be to him; that is, to expand his illegal activities to include functions within the union?

You had a chance to observe his methods and recognize that he was trying to muscle in and, in fact, he did muscle in, and you tried to keep him from muscling in.

In your opinion, why was he trying to get in? There were lots of places that racketeers can profit themselves other than in a labor union.

Mr. WASHBURN. Oh, yes. There are racketeers in all phases of our life right now. There isn't any question about that.

Senator MUNDT. Why did he want to get into that particular union?

Mr. WASHBURN. To begin with, of course, shortly after we got started in New York, this question of organizing taxicabs came up. I was opposed to that, by the way.

But especially in that particular organizational effort, and after learning what the history of the rackets in New York was, you could see pretty well the advantages to any underworld organization to have control of the taxicab drivers of New York.

It would be a pretty powerful outfit with approximately 30,000 members, if they succeeded in organizing them.

Senator MUNDT. I can understand that.

Mr. WASHBURN. There are a lot of angles to the advantages along that line. Of course, there are shakedowns of employers and lush living off the dues and initiation fees of the members and there are just a lot of angles to it—the pressure that you can wield politically and everything else.

Senator MUNDT. It was all aimed at getting some easy money by illegal methods?

Mr. WASHBURN. I don't know that, but the possibilities were there, certainly.

Senator MUNDT. The reason that Communists work into the union, and the reason the Communists try to seek control of an apparatus like this one in New York is not usually for money.

Mr. WASHBURN. Not as a rule; no, sir.

Senator MUNDT. They are after power.

Mr. WASHBURN. Power; yes, sir.

Senator MUNDT. And they are after power for political purposes.

Mr. WASHBURN. Yes, sir.

Senator MUNDT. Some of them may be getting some money from Moscow, but primarily they are after power.

Mr. WASHBURN. Yes, sir.

Senator MUNDT. And they are after power because they are trying to do injury to this country, and benefit the Soviet Union. That is clear and understandable.

I am not going to participate in a debate as to which is worse. I think that they are both pretty highly abominable and tremendously dangerous.

Mr. WASHBURN. That is right.

Senator MUNDT. And certainly from the standpoint of the general public, the Communist menace is tremendously greater than the racketeer because you have millions of Americans not directly affected by the racketeers in control of the union, but all Americans would be affected directly if the Communists got control of a city through getting control of unions.

But that is a philosophical argument that leads nowhere. What I am trying to find out is the particular reasons why racketeers, to get easy money by illegal practices in other fields should select control of labor unions as a theater of activity.

You have said that enables them to get money by shakedown. It enables them to collect dues and misuse the dues, and enjoy plush living on the dues. Are there any other reasons?

Mr. WASHBURN. I suppose there are a lot of them that I could not tell you. I can't think of any at the moment.

Senator MUNDT. Looking at the other side of the coin, you have testified about the close friendly relationships, for example, between Jimmy Hoffa and Dio, and others have mentioned that.

You brought in the picture of what was the supposed advantage to Dio. What was the advantage to Jimmy Hoffa and other labor leaders to form these friendly associations with the underworld?

Mr. WASHBURN. Well, so far as the advantages to Hoffa, sir, I wouldn't know.

Senator MUNDT. They must have had some motive.

Mr. WASHBURN. If Hoffa thought—

Senator MUNDT. They were joining up with these creepy characters of the illegal underground.

Mr. WASHBURN. If Jimmy Hoffa thought, I suppose, that Johnny Dio had some connections in New York that would make him a good emissary of his in the organization field, or in compromising people to be on Jimmy Hoffa's side, I would say then Jimmy Hoffa might be using Johnny Dio for the purpose of gaining power.

That would be the only thing I could see in the labor movement.

Senator MUNDT. These underworld characters—

Mr. WASHBURN. Other than that, I know nothing about Jimmy Hoffa.

Senator MUNDT. I am trying to explore this from the standpoint of a man who is in the union. It is a little hard for me to understand both sides of this unholy marriage that has been formed between some labor leaders and some underworld characters.

Now, this occurs to me as a possibility: that these underworld characters are pretty good technicians when it comes to rough stuff. It might be that these union leaders were trying to organize a reluctant plant and one might say that these are pretty good goons that they could have available.

Underworld leaders know who these rough guys are, and maybe that is the reason that they need that kind of association.

Mr. WASHBURN. Well, I would say from the developments of the situation that it looked to me like Jimmy Hoffa had his eye set on the presidency of the teamsters union, and that he was looking to enlarge his field of support, and I suppose he felt that Johnny Dio was influential in New York among certain forces and Johnny Dio might be able to help him gain control of the New York Joint Council of Teamsters.

That is how I got beat, in people lining up with Johnny Dio and that crowd.

Senator MUNDT. I wanted your own interpretation as to why, No. 1, the underworld wants to join with the union and why certain union officials want to join up with the underworld, and I am glad to have the information.

You mentioned Mr. Dubinsky. Do you suppose that Dubinsky knew about Sam Berger's activities?

Mr. WASHBURN. Yes, he did. I am satisfied that he did.

Senator MUNDT. Because Berger, of course, was in his area of union activity.

Mr. WASHBURN. I had a conference with Dubinsky on the whole matter.

Senator MUNDT. Will you expand a little bit on what took place in the conference?

Mr. WASHBURN. Well, Dubinsky, of course, as you know at that time, was a member of the—I don't know whether they called it ethical practices committee of the AFL; this was before the merger—and Dubinsky and Mr. Meany and McPatrick were a three-man committee looking into these matters.

Dubinsky was particularly rough with our union, which surprised me somewhat because we had always been friendly, and all he would say was to get rid of Dio.

Senator MUNDT. Dubinsky said to get rid of Dio?

Mr. WASHBURN. "He is no good, get rid of him." Well, in a labor organization, it is like anything else. It is just like the courts of our land. You can't convict a man without some evidence. You can't convict him on nothing, and the only thing actually we could pin down on Dio was the fact that he had been convicted for extortion.

We couldn't throw him out of our union for that and our constitutional provision did not permit that. You can't just throw a man out of a union and it wouldn't be right if you could, just arbitrarily to throw him out without a trial.

When you have a trial, you have to have evidence. I thought that Dubinsky being in New York, and being in the International Ladies' Garment Workers Union, and being involved in having the trucking industry being racket-ridden in the industry for many years, and knowing all about the so-called Lepke mob, and Murder Incorporated, and so on, you couldn't live in New York without knowing something about that, and especially you can't live in the ILG without knowing something about it.

I thought Dave Dubinsky could have been some help to us when this matter came up. I went to Dave Dubinsky, and I asked him for some information. I said, "What have you got that I can use in our union to get rid of Johnny Dio?"

He went and he got the files on Johnny Dio and all he had was a bunch of newspaper clippings from the New York Times.

I said, "Dave, I have got the same thing. I can't convict a man in our union and you couldn't convict a man in your union on those newspaper clippings."

He said, "He is no good. Get rid of him." Then he got real excited about the fact, about 102 of our union, the first union we chartered there, being the same number as Sam Berger's local union, in his union.

He thought that there was a tieup there. Actually, it was coincidental. There was no tieup between the fact that the two locals happened to be the same number. It was the next number in line that we were issuing as far as charters were concerned. Sam Berger was in the office when we talked about it, and he said, "Well, that is the

number of my union." I said, "Of course, you don't have to take that one if you don't want to, and if you think that it is going to hurt anything or be confusing and take another one."

"No," he says, "It might be a good omen." And so we left it 102. That is actually the story. Mr. Dubinsky never believed that, even from me, but that is neither here nor there.

Then he got into the question of Sam Berger's connection with Johnny Dio and so I asked him, and I said, "If Sam Berger is a close associate of Johnny Dio's for as many years as you say he is, and he is as bad a character as you say he is, why is he still working for the ILG?"

Senator MUNDT. What did he say to that?

Mr. WASHBURN. He said, "We consider him less dangerous in than out."

Senator MUNDT. Did he elaborate on that any?

Mr. WASHBURN. No; that is all he said.

Senator IVES. You know he is out now; do you not?

Mr. WASHBURN. A long time, after, sir. He also knew Johnny Dio, but denied it to me. When I proved that Johnny Dio had once worked for his organization on a special assignment, he got pretty excited. He got pretty excited and I got pretty mad at Mr. Dubinsky at that time for—

Senator MUNDT. Did Dio work for ILG?

Mr. WASHBURN. I found out through Johnny Dio and other sources—after this vice president reported that Johnny Dio was O. K., then I felt that there was some information that I could have had or should have had from the ILG to help us get rid of Johnny Dio if they wanted him out of the labor movement so bad.

Senator MUNDT. And it was after that—

Mr. WASHBURN. So Dubinsky got pretty mad at me. He said he didn't even know Johnny Dio. I said, "Mr. Dubinsky, I understand that he worked for your organization, one time on a special assignment."

"I don't even know the man," he said.

I named the plant and city in which he worked, and he got very excited. His only reply was, "Well, there is sometimes," he says, "we hire people to do certain jobs for us, but we don't let them get on the inside of the organization."

Senator MUNDT. You say you named the plant. What plant was it, what city?

Mr. WASHBURN. Well, I didn't have the name of the plant, actually. It was Roanoke, Va.

Senator MUNDT. Roanoke, Va.?

Mr. WASHBURN. That is right. He was assigned to that job by the vice president of the ILG. The man's name, I don't know. The only information I could get on it in trying to pin it down was that his wife was Dave Dubinsky's personal secretary.

Senator MUNDT. His wife was Dave Dubinsky's personal secretary?

Mr. WASHBURN. That is right.

Senator MUNDT. About what time, what year?

Mr. WASHBURN. I would say that was about—well, the actual time that the job was done I don't know. But it was pretty recent. I mean recent in terms of then, at the time I was talking to Mr. Dubinsky.

Senator MUNDT. Well, could you give us a general area? What period of time are we talking about?

Mr. WASHBURN. The exact date he was in Roanoke, Va., on that job, I don't know.

Senator MUNDT. Would you say it was the 1930's, the 1920's, or what?

Mr. WASHBURN. It was later than that. I would say it was pretty close to the 1950's. I gathered it was pretty close to the time that Johnny Dio became connected with our union.

Senator MUNDT. Do you recall the name of Dubinsky's secretary?

Mr. WASHBURN. No; I don't. I never knew her. I never knew her name. I gathered, after the information I got from our educational director, that the vice president that had stated that Johnny Dio was all right and a good man, I assumed then that that was the same vice president that probably assigned Johnny Dio to do this job. It happened to be a plant, as I understand it, that Dubinsky's organization had tried to organize for many years, and was never able to crack it.

So they apparently were trying another way to get it, and used Johnny Dio to do it.

Senator MUNDT. That would lead back to the assumption I made earlier. What the labor leaders seek and secure with their connection with underworld characters, is that they have their men who are experts in high pressure, experts in goon squad activities, experts in trying to persuade reluctant plants to come along because of their capacity to intimidate and coerce.

What you have testified about the Roanoke, Va., plant seems to square pretty neatly with that particular hypothesis.

Mr. WASHBURN. Well, my faith in people, I mean, was shaken quite a bit by that situation. I always had a lot of respect for the ILG. And I had a lot of respect for Dubinsky. But when he was in a position to help and wouldn't help, I just began to wonder why. Then I found out.

Senator MUNDT. You found out that probably the reason he would not help was because he, himself, had employed Dio or had associated himself with Dio.

Mr. WASHBURN. Well, he probably had become involved is the best I can figure out.

Senator MUNDT. Well, any labor leader who employs or utilizes an underworld character ultimately gets involved to the point where he no longer is a free agent.

Mr. WASHBURN. That is right. They are on the hook and it is pretty hard to get off.

Senator MUNDT. This is interesting. It is the same identical procedure with the Communists. They get a fellow going along with them for awhile on comparatively unimportant matters and then they stick in the barb and pin him down that they otherwise would expose him.

Mr. WASHBURN. What bothered me so much was because he was really riding me in my organization, and at the same time he wouldn't help when he could have helped.

Senator MUNDT. You could not elicit from Mr. Dubinsky any further reason why he continued his association with Sam Berger except that he said it was easier to get along with him in the union than out?

Mr. WASHBURN. It was more than that. He said, "We consider him less dangerous in than he would be out." And when you got back into Sam Berger's history, back quite a few years into the fight in the trucking industry, the trucking business in the garment industry, you can guess a little bit why.

Senator MUNDT. You could guess better than I could, because you know more about the background. What would be your guess?

Mr. WASHBURN. What?

Senator MUNDT. I say you could guess better than I could because you know more about Sam Berger's background activities than I do. What would your guess be?

Mr. WASHBURN. I don't know whether I do or not. All I know is what I could find out from records and so forth.

I was a little surprised to find a person like that in the ILG, I will tell you that very frankly, and have him supported and still be there for some length of time.

Also, somewhat surprised to find out the fact that while I was sitting in the audience here yesterday, that finally we get news that Paul Dorfman is suspended by the American Federation of Labor. Finally.

When we, as an international union, almost got kicked out because we didn't get rid of Dio, who was brought into our organization through Dorfman.

Senator MUNDT. I thought that was a little late myself.

Mr. WASHBURN. It was plenty late.

Senator MUNDT. Thank you.

Senator GOLDWATER. Mr. Chairman?

The CHAIRMAN. I have one other question. I am trying to get some background.

You referred awhile ago to the close association and friendship of Mr. Hoffa and Johnny Dio. How long has that friendship continued, to your knowledge?

Mr. WASHBURN. Well, just about the same period of time, sir, that Johnny Dio was connected with our union, from about the time—well, from my knowledge, from the time I first found out about Dio, which was a short time after we first chartered local 102 in New York, from that time until now. I mean, I say now—since I have been out of the labor movement, all I know about it is what I read in the paper.

The CHAIRMAN. Is that association and friendship such that you would conclude that Mr. Hoffa is bound to know of the character and reputation of Johnny Dio?

Mr. WASHBURN. Well, I don't know whether I could put it exactly like that, but I would say that if I know, and if I could find out, I am certain that Jimmy Hoffa could have, and probably did.

The CHAIRMAN. I do not want to convict anyone just by association, but we have a character here, I think you pretty well agree, that does not belong in any position of authority in the labor movement.

Mr. WASHBURN. That is right.

The CHAIRMAN. And here we have a pretty high man in unionism, with a close association with this party. My understanding is that he has made some statements about his friendship for Johnny Dio. Do you have any information about that?

Mr. WASHBURN. There was one statement that I think was rather a public statement that came out in the press, that he considered

Johnny Dio to be a friend of his. I don't know personally about that.

I also don't know personally about another situation that after I suspended Johnny Dio and pulled the charters on the six locals in New York there was a State federation convention in Michigan, and Jimmy Hoffa, of course, was there. I wasn't there because I had just resigned. It was just a few days after I resigned. But Jimmy Hoffa made a statement to the press out at the Grand Rapids convention to the effect that this business of charges of racketeering and all of the charges against Dio that I had made was rather silly and asinine because there was no truth in them, and now that the charters had been restored and Johnny Dio had been reinstated back in the union by the international and executive board after I left, that everything was peace and harmony in New York. That was the statement that he made.

The CHAIRMAN. You suspended Dio?

Mr. WASHBURN. That is right.

The CHAIRMAN. And took up the charters of those locals?

Mr. WASHBURN. That is right.

The CHAIRMAN. You did that as president of the union, of the international?

Mr. WASHBURN. That is right.

The CHAIRMAN. Then your executive board overruled you and reinstated Dio and returned the charters?

Mr. WASHBURN. Yes, sir.

The CHAIRMAN. Is that when you left?

Mr. WASHBURN. I left the next day. After that board meeting adjourned, I left.

Senator GOLDWATER. Mr. Chairman?

The CHAIRMAN. What date was that? May 1954?

Mr. WASHBURN. It was May 8 when I resigned. The board meeting adjourned, I think, on a Thursday or Wednesday, and I resigned as of Friday, the end of the week.

Mr. KENNEDY. May 1954. It was not 1953.

Mr. WASHBURN. Was it 1954? I haven't been out as long as I thought I had.

The CHAIRMAN. Senator Goldwater?

Senator GOLDWATER. Mr. Washburn, you suspended Johnny Dio on April 22, 1954, and the meeting of the executive board was called for May 5, 1954. At that time, Mr. Doria offered amendments to your original action that, in effect, erased your efforts to get rid of him. Is that substantially correct?

Mr. WASHBURN. I wouldn't say that Doria made the motion.

Senator GOLDWATER. Pardon?

Mr. WASHBURN. I wouldn't say that Doria made the motion. To the best of my recollection, Earl Heaton made the motion.

Senator GOLDWATER. Well, Doria or Heaton, what motives would they have to try to keep Dio in the union?

Mr. WASHBURN. Well, Doria, of course, was an ally of Johnny Dio's, and was the main problem that I had in the union. I knew that whenever I attempted to make a move against Johnny Dio that I would have a first-class fight on my hands.

Doria, there was not question about it, was an associate, a very close associate of Johnny Dio's.

All the contacts from Dio to our organization were made to Doria. Dio would never contact me except on a very minor matter.

(At this point, Senator Ives withdrew from the hearing room.)

Senator GOLDWATER. To your knowledge, had Doria or Heaton at any time had any connection with the ILG?

Mr. WASHBURN. No.

Senator GOLDWATER. Any connection with Dubinsky?

Mr. WASHBURN. No.

Senator GOLDWATER. So that there would be no reason to suspect that Dubinsky or the members of the ILG might have had some effect in the effort to keep Dio in your union?

Mr. WASHBURN. No. I don't want anybody to misunderstand my previous testimony. I don't think that there was any design on the part of anybody in the ILG with the possible exception of Sam Berger, on placing or keeping anybody like Johnny Dio in our union.

My conclusions to my experience is that Dave Dubinsky could have helped but didn't because of circumstances. It might have exposed something in his own union. That is the way I feel about it and I am quite convinced of it.

That is as far, I think, that the ILG's connection with the situation goes, as far as our own union situation is concerned.

Senator GOLDWATER. Earlier, when I first started questioning you, you wondered whether or not questions along these lines were pertinent to this particular investigation.

I have here what I consider to be the key sentence of the resolution adopted by the last Communist Party convention. I want to read it to you, because I think you are going to agree that gangsterism, racketeering, and communism, are two evils that are possibly related, but they are certainly related in their desire to get power.

This is very short. I will quote from it:

To a degree the cooperation of labor reformists (trade union leaders who stand for capitalism and with no Socialist background or traditions), social reformists (those labor leaders like Dubinsky, Reuther, Randolph, et cetera, who have a Socialist background), and bourgeois reformists (liberal wing of the Democratic Party) in such organizations as Americans for Democratic Action is, in the absence of a mass social democratic party in the United States, and under the conditions prevailing in our country, performing the function of social democracy.

That was adopted in the last Communist Party convention in the United States. I think it points out more clearly than anything I can say why we as United States Senators are interested in not only the infiltration of Communists into the original CIO, but the infiltration of gangsters and hoodlums into the AFL and into the CIO, also.

I do not say that to be critical of you, nor of your union. I just read it to point out why I was pursuing the line of questioning that I was.

I think you responded splendidly. I think you realize the danger as probably very few union leaders do. I just wanted to put this into the record so you would understand my reasons for the questioning that I was following.

Senator MUNDT. Is that resolution you quoted from, Senator Goldwater, from the Communist convention, or was that a labor convention?

Senator GOLDWATER. It was adopted at the last Communist Party convention held in the United States, the date of which I do not have.

Senator MUNDT. In other words, that is part of the present day Communist line that we hear so much about, the change and so forth. It incorporates that.

Incidentally, I can assure you it is not much of a change from the old Communist line, because I have been reading Communist convention platforms for 20 years. That kind of thing has popped up time after time, the tactics of the Communists to employ wherever they can respectable organizations and intertwine them with the Communist apparatus in order to achieve the power that they seek, which they seek for the purpose of trying to weaken the defense potential of this country. I think it is a tremendously important statement, Senator Goldwater, and I am glad to put it into the record.

Senator GOLDWATER. To my mind, there is no question but that it was, and it still is, the intent of the Communist Party to infiltrate in every way the trade movement in this country.

In fact, during World War II, if my memory serves me correctly, a strike was called at the North American plant to prevent the shipment of fighters to overseas bases. I think that was probably the first time that Mr. Reuther became really concerned about the extent to which control had been obtained by the Communists in the CIO. I think if we read history we will find that from that time on there has been, more or less, an effort to clean out the Communists.

That strike was not successful, but it points out what could be done in the event of another war.

I think they would be far more successful in stopping our defense efforts than they were in the last war.

Senator MUNDT. I am also glad that you stated it for this reason: It is hard for me to constantly realize and accept the fact that the racketeers, big league thugs, need to procure the dues of laboring men in order to get the plush living which they otherwise get. To the uninitiated, it is a little difficult, I suppose, to realize the big power grab that the Communists seek, for which they would pay millions of hundreds of millions of illegal money. Once you have concentrated that in the hands of a few men who are unscrupulous and willing to sell out their associates for gold and for loot, you have a situation which is very attractive to the Communists.

I think in hearing testimony of this kind, so frequently Americans who have not had this background of study of the Communist movement are inclined to listen to the music which comes from playing the flyspecks on the sheet music rather than the dots, the dashes, the sharps, and the notes. You do not establish a tremendous concentration of power such we are talking about the possibility of here in order to pick up a couple of dollars a week from a laboring man. You do that because you are aiming at a big target.

I hope that the American public will learn that we are wrestling with a problem of first-class magnitude. This is not a peanut-stand program that we are trying to stop and avert.

You were talking about this conference, Mr. Washburn, that you had with Dubinsky. I do not believe we dated that. Could you tell us about when that conference was?

Mr. WASHBURN. It would be probably sometime in 1952, sir. The exact date I couldn't remember.

Senator MUNDT. Early in 1952?

Mr. WASHBURN. Somewhere in about 1952. It might have been 1951.

The CHAIRMAN. All right, Mr. Chief Counsel, you may proceed.

Mr. KENNEDY. Subsequent to this meeting that you had with Mr. Dubinsky, was Mr. Dio appointed as regional director in New York City, in the New York area?

Mr. WASHBURN. Prior to that time, yes.

Mr. KENNEDY. Did he continue in that position?

Mr. WASHBURN. Yes, sir.

Mr. KENNEDY. And various charters were granted by the UAW-AFL to individuals in the New York City area upon his recommendation?

Mr. WASHBURN. Well, they were granted, not intended for individuals. They were granted to, supposedly, groups of workers.

Of course, with Dio as acting director in this area, it would naturally come through him in the course of the operations of a union.

Mr. KENNEDY. As you had a feeling or some suspicion about Johnny Dio, why did you continue to allow him to be the one to direct your operations in the New York area?

Mr. WASHBURN. Well, it was a board decision, in the first place, to put him on. I wasn't in a position to stage that kind of a fight at that time, the kind of a fight I knew it would be.

Mr. KENNEDY. Who would have opposed you in the board?

Mr. WASHBURN. Doria, at the outset.

Mr. KENNEDY. Who ran the operations in the New York area for the international?

Mr. WASHBURN. Well, Doria was Dio's contact all the time. As I said before, he very seldom contacted me except on very minor matters.

Mr. KENNEDY. Who are Doria's contacts? Who are his close associates in the labor movement?

Mr. WASHBURN. About the same as Dio's.

Mr. KENNEDY. Who are they?

Mr. WASHBURN. Jimmy Hoffa, Paul Dorfman, O'Rourke, of the teamsters, and—

Mr. KENNEDY. Sam Berger?

Mr. WASHBURN. Sam Berger.

Mr. KENNEDY. You spoke earlier about the fact that you understood that Dio and Hoffa were close friends. Could you tell the committee what you base that on?

Mr. WASHBURN. Well, just on the basis of conferences and conventions that were held at different times in the union, in the AFL Hoffa and Doria and Dio, they all hung around together. They all hung around together and associated together socially, and had frequent meetings. Of course, as far as Doria is concerned, there was no question about his support and loyalty to Dio, because he didn't make any bones about it.

Mr. KENNEDY. Did Dio speak to you also about his friendship with Jimmy Hoffa?

Mr. WASHBURN. No. Dio never talked to me very much. I mean, if we were together at times, it would be just general conversation

about Hoffa and different people that he professed to know, and to be friends with.

Mr. KENNEDY. When Dio was granting these charters, or the charters were being granted by the international through Dio, did you make an examination or investigation of the people to whom these charters were being granted?

Mr. WASHBURN. No. There wasn't any particular reason to, and I couldn't—that is, we never had made an investigation as to who the charters were going to, because they were usually recommended by our people in the field, as a general rule. We had never run into any trouble on a charter before in the history of our union, to my knowledge, until we ran into this 102. Then as we got into that, I knew we were into something, and my investigations, of course, had to be without anybody's knowledge because I just didn't want the fight to start until I was ready to have it start.

Mr. KENNEDY. Mr. Chairman, we have a list here of the charters that were granted in the New York area by the international while Johnny Dioguardi was director of operations.

Could he identify them and we will have that list made a part of the record?

The CHAIRMAN. The Chair presents to you a list of locals that were chartered in the New York area during the time that Dioguardi was director of that area. I will ask you to examine this list and see if it is accurate.

(Document handed to witness.)

Mr. WASHBURN. I think it is.

The CHAIRMAN. That may be printed in the record at this point. (Document referred to follows:)

Charters issued by International Union, UAW (ALF), while John Dioguardi was director of activities for that union in New York

Local	Description	Date	Remarks
136.....	Amalgamated, Long Island, N. Y.....	Oct. 15, 1951	Louis Lasky, Feb. 20, 1953; revoked June 17.
138.....	Amalgamated, eastern Pennsylvania and southern New Jersey.	Nov. 13, 1951	Dissolved Apr. 22, 1954.
648.....	Amalgamated Metal Working Industries, New York, N. Y.	Feb. 4, 1952	Abe Saul, attorney; never active.
3d 102 ¹	Taxicab drivers.....	Mar. 17, 1952	Withdrawn June 1953; AFL pressures.
649 ¹	Amalgamated, Greater New York and vicinity.do.....	Became 269, teamsters.
185	Taxi mechanics, New York City	Oct. 13, 1952	Revoked; never active.
250 ¹	Amalgamated, New York, N. Y.....	Oct. 14, 1952	Became 362, teamsters.
198 ¹	Amalgamated, Bronx, N. Y.....	Jan. 13, 1953	Extortion indictment.
355 ¹	Amalgamated, New York, N. Y.....	Feb. 17, 1953	Now independent.
214.....	Amalgamated, Brooklyn, N. Y.....	June—, 1953	Never active.
224 ¹	Amalgamated, New York, N. Y.....	Sept. 15, 1953	Now independent.
225	Amalgamated, Philadelphia, Pa.	Oct. 19, 1953	Out of existence July 6, 1955.
227 ¹	Amalgamated, New York, N. Y.....	Nov. 3, 1953	Became 284, teamsters.
228 ¹	Amalgamated, Long Island, N. Y.....	Nov. 9, 1953	Out of existence July 6, 1955.

¹ Are those on the chart.

NOTE.—Not all of these are shown on the chart because they became inactive at very early dates and played no part in subsequent activities.

The CHAIRMAN. Proceed.

Mr. KENNEDY. When the taxi drive started at the end of 1951 and continued in part of 1952 and part of 1953, ultimately the International UAW was forced to give up that taxicab drive, is that right?

Mr. WASHBURN. Yes.

Mr. KENNEDY. Did you take part in the negotiations with the teamsters union about their taking over the drive?

Mr. WASHBURN. No.

Mr. KENNEDY. You did not. Who handled that?

Mr. WASHBURN. Doria.

Mr. KENNEDY. That was all handled by Anthony Doria for your union?

Mr. WASHBURN. That is right.

Mr. KENNEDY. Do you know with whom he had conferences on that matter?

Mr. WASHBURN. The teamsters appointed a committee to handle that. I think Einar Mohn was one of the members on the committee. At the moment, that is about the only name that I can think of.

Mr. KENNEDY. Was Harold Gibbons on that committee?

Mr. WASHBURN. I don't know whether Gibbons was on that or not. I remember a remark by either Dio or Doria at the time, that the makeup of the committee was satisfactory.

Mr. KENNEDY. Did you understand that the teamsters were going to take your operation into the teamsters?

Mr. WASHBURN. Yes.

Mr. KENNEDY. Were they going to take Dio with them?

Mr. WASHBURN. That was supposed to be part of the negotiations, as I understand it.

The CHAIRMAN. The committee will have to suspend. That was a signal for a rollcall vote in the Senate. We will return as soon as the vote has been cast and resume the hearings.

(Members present at the taking of the recess: Senators McClellan, McNamara, Goldwater, Mundt, and Curtis.)

(Whereupon, at 11:20 a. m., the committee recessed, to reconvene at 2 p. m., the same day.)

AFTERNOON SESSION

The CHAIRMAN. The hearing will be in order.

(Members present at the convening of the session: Senators McClellan, Ives, and Goldwater.)

The CHAIRMAN. Mr. Washburn, will you come around again, please?

TESTIMONY OF LESTER WASHBURN—Resumed

Mr. KENNEDY. Mr. Washburn, at the conclusion this morning, we were discussing the taxicab drive of local 102, which was headed by Mr. Dio and I was asking you about the arrangements that were made with the teamsters union regarding the taking over of the taxicab drive.

Now, were there negotiations conducted originally that Mr. Dio and his operation were to go into the teamsters or to come into the teamsters?

Mr. WASHBURN. The proposition was, or the attempt was on Dio and Doria's part, to have the teamsters take over the taxi union and continue the drive with the same organizational setup and the same personnel.

Mr. KENNEDY. That would be Mr. Dio.

Mr. WASHBURN. Yes.

Mr. KENNEDY. Do you know who in the teamsters was interested in having that done, or were you informed?

Mr. WASHBURN. No; I don't.

Mr. KENNEDY. You were not informed?

Mr. WASHBURN. No; I wasn't.

Mr. KENNEDY. Do you remember who the negotiations were with, regarding that aspect of things?

Mr. WASHBURN. Well, as I said this morning, there was a committee appointed apparently by Mr. Beck, and I am quite sure that Einar Mohn was on it, and who the other 2 members of the committee, it was a 3-man committee, I just couldn't say.

Mr. KENNEDY. Do you know why Mr. Dio was not brought into the operation of the teamsters at that time?

Mr. WASHBURN. Only from reports that I received from Mr. Doria.

Mr. KENNEDY. Did you understand it was because of the opposition of the vice president in the area, Mr. Tom Hickey?

Mr. WASHBURN. Well, now maybe I didn't quite get your question clear. Are you talking about the conferences to take over the taxicabs?

Mr. KENNEDY. Yes; and I know they took the taxicab drive over, but now I am talking about the move that was underway to take over the personnel such as Mr. Dio into the teamsters union to conduct that drive.

Mr. WASHBURN. Maybe I can do it better if I just relate what I know about it.

Mr. KENNEDY. That would be fine.

Mr. WASHBURN. As I understand it, conferences were held and Doria was in on the conferences according to his reports to me. They reported that it was agreed that this committee had agreed to take over the taxi union and continue the drive, with the same personnel.

Doria was also interested in trying to get our union repaid for the amount of money we had spent on the drive. That was supposed to be taken care of according to Doria's report.

Conferences were held in New York. There was supposed to be a final conference in Washington, at which Dave Beck was to be present and the final agreement or conclusions made.

Doria was to meet with Beck at noon on what date I don't remember, I couldn't give you the date, but as I get the story, Mr. Meany had a meeting with Beck at breakfast that morning, and the conference at noon never took place.

(At this point, Senators McNamara and Curtis entered the hearing room.)

Mr. KENNEDY. The conference at noon—was that the conference that was supposed to formulate the agreement to take in the personnel?

Mr. WASHBURN. It was supposed to be, sir. The meeting, as I got the report, was supposed to be the meeting at which Beck was to put his stamp of approval on it. The committee had, as I understood it, already agreed to take over the cab union and the drive and the personnel lock, stock, and barrel, and to give some consideration to the money that our union had put in the drive.

Mr. KENNEDY. Who was in the teamsters union that prevented the personnel of your drive—namely, Mr. Dio—from coming into the teamsters?

Mr. WASHBURN. I don't know as it was anybody in the teamsters union. I give credit for blocking the whole deal to George Meany.

Mr. KENNEDY. George Meany prevented it?

Mr. WASHBURN. As far as I know. I understand there was a breakfast meeting between Dave Beck and George Meany that morning of the day that the deal was supposed to be concluded, and the conference at noon to conclude the deal never took place.

Mr. KENNEDY. Did you understand that Mr. Hoffa at that time was interested in having your personnel and your work that you had done brought over into the teamsters union?

Mr. WASHBURN. I understood Hoffa was in favor of it; yes, sir.

(At this point in the proceedings, Senator Kennedy entered the hearing room.)

Mr. KENNEDY. Did you understand that he had participated in some of the meetings in New York and in Washington in connection with this?

Mr. WASHBURN. Yes, but I could not say that he was participating as a member of the committee because I don't know, and I don't think Hoffa was a member of that committee.

Mr. KENNEDY. But he was actively interested.

Mr. WASHBURN. He was in and around at the time those conferences were going on.

Mr. KENNEDY. Did you understand from the conversations that you had with Mr. Doria at the time that he was actively interested in Mr. Dio and your taxicab personnel being brought into the teamsters?

Mr. WASHBURN. Yes, sir. It was quite generally known that Mr. Hoffa was interested in promoting that, and in fact I think he used his influence on the committee.

Mr. KENNEDY. Now, Mr. Chairman, this morning you were discussing, Mr. Washburn, about what occurred regarding the lifting of the various charters in New York in 1954, and we have some documents regarding that that I would like to have made a part of the record, if we may, also Mr. Washburn's suspension or removal of Mr. Johnny Dioguardi at that time as regional director in New York City.

The CHAIRMAN. The Chair hands you what appears to be a carbon copy of a letter dated April 22, 1954, from you as international president to John Dioguardi.

Will you please examine that and state if it is a carbon copy of your letter to Mr. Dioguardi?

(A document was handed to the witness.)

Mr. WASHBURN. Yes.

The CHAIRMAN. That letter may be published in the record at this point.

(The letter referred to follows:)

APRIL 22, 1954.

Mr. JOHN DIOGUARDI,

577 9th Avenue, New York, N. Y.

DEAR SIR: In accordance with the authority vested in me as international president, please be advised that effective immediately any membership you may hold or claim to hold in the International Union UAW-AFL, or any of its local unions, and any office, titles, or commissions you may claim to hold as a representative of the international union or any of its local unions are hereby terminated. This action has become necessary in light of the continued activities of yourself and some of your associates which has brought disrespect and disgrace to the International Union, United Automobile Workers of America, AFL, and to the labor movement generally. Misrepresentation and extortion have no

place in the framework of a legitimate labor organization and will not be tolerated in the UAW-AFL.

In view of the above, you are hereby requested to return to me immediately any books, documents, papers, funds, or evidence of ownership of any funds and other property that may be in your possession or under your control which is the property of the International Union UAW-AFL.

In addition to the above, and effective immediately, the charters of UAW-AFL Local Unions 214, 224, 225, 227, 228, and 355 are hereby revoked. Inasmuch as these charters are now under the control of yourself and your associates, you are hereby requested to see that they are returned to me, together with all records and supplies that are the property of the International Union UAW-AFL, at the earliest possible date.

Yours truly,

LESTER WASHBURN,
International President.

The CHAIRMAN. I hand you then what appears to be 5 carbon copies of letters written by you to 5 different parties, whom I assume were the presidents of those 5 locals whose charters you lifted. Will you examine these copies please, and state if you identify them?

Mr. WASHBURN. Yes.

The CHAIRMAN. Those five copies may be printed in the record also. Those are the letters where you wrote lifting the charters of the five locals?

Mr. WASHBURN. Yes, sir.

The CHAIRMAN. The other letter you identified was the one expelling Johnny Dioguardi?

Mr. WASHBURN. Yes, sir.

(The five documents above referred to follow:)

APRIL 22, 1954.

Mr. HARRY DAVIDOFF,
1780 Broadway, New York, N. Y.

DEAR SIR: Enclosed is a copy of a letter addressed to John Dioguardi which is self-explanatory. If you are still connected in any way with Local No. 228 UAW-AFL, you are herewith requested to return to me immediately the charter, supplies, and any other documents with respect to the said Local No. 228 UAW-AFL

Yours truly,

LESTER WASHBURN,
International President.

APRIL 22, 1954.

Mr. HAROLD KRIEGER,
591 Summit Avenuc, Jersey City, N. J.

DEAR SIR: Enclosed is a copy of a letter addressed to John Dioguardi which is self-explanatory. If you are still connected in any way with Local No. 355, UAW-AFL, you are herewith requested to return to me immediately the charter, supplies, and any other documents with respect to the said Local No. 355, UAW-AFL.

Your truly,

LESTER WASHBURN,
International President.

APRIL 22, 1954.

Mr. JOSEPH H. REITMAN,
2157 Ocean Avenue, Brooklyn, N. Y.

DEAR SIR: Enclosed is a copy of a letter addressed to John Dioguardi which is self-explanatory. If you are still connected in any way with Local No. 214, UAW-AFL, you are hereby requested to return to me immediately the charter, supplies, and any other documents with respect to the said local No. 214, UAW-AFL.

Your truly,

LESTER WASHBURN,
International President.

APRIL 22, 1954.

Mr. STANLEY SEGLIN,
1114 DeKalb Avenue, Brooklyn, N. Y.

DEAR SIR: Enclosed is a copy of a letter addressed to John Dioguardi which is self-explanatory. If you are still connected in any way with Local 224, UAW-AFL, you are herewith requested to return to me immediately the charter, supplies, and any other documents with respect to the said Local 224, UAW-AFL.

Yours truly,

LESTER WASHBURN,
International President.

APRIL 22, 1954.

Mr. ARTHUR SANTA MARIA,
8218 14th Avenue, Brooklyn, N. Y.

DEAR SIR: Enclosed is a copy of a letter addressed to John Dioguardi which is self-explanatory. If you are still connected in any way with Local 227, UAW-AFL, you are herewith requested to return to me immediately the charter, supplies, and any other documents with respect to the said Local 227, UAW-AFL.

Yours truly,

LESTER WASHBURN,
International President.

The CHAIRMAN. Did you receive an answer to your letter to Mr. Dioguardi?

Mr. WASHBURN. No. He was in jail at the time that I sent the letter.

The CHAIRMAN. He was in jail?

Mr. WASHBURN. Yes.

The CHAIRMAN. I do not know whether this is written in jail or not, but I will ask you to examine this letter and see if you recall it. That is the one I now hand you.

(A document was handed to the witness.)

Mr. WASHBURN. I remember that now, and I didn't remember it before.

The CHAIRMAN. Will you read that letter, please?

It may be printed in the record at this point. State what it is.

Mr. WASHBURN (reading):

Airmail

Registered mail

Return receipt requested

APRIL 24, 1954.

Mr. LESTER WASHBURN,
*President, United Automobile Workers of America,
Milwaukee, Wis.*

DEAR SIR AND BROTHER: I have your letter as of April 22, 1954, setting forth my expulsion on the basis of the authority vested in you as international president.

Please except (sic) this letter as my appeal from such action to the international executive board. I would like to be notified of the time and place of the meeting of the international executive board, so that I may be able to appear in order to present my own case before the international executive board, or file evidence with the international executive board.

Fraternally yours,

JOHN DIOGUARDI
By J. C.

President, Local 649 UAW, American Federation of Labor.

Mr. WASHBURN. It says "by J. C.," and I don't know who that is by.

The CHAIRMAN. Do you recall having received that letter?

Mr. WASHBURN. I do recall.

The CHAIRMAN. And the appeal was taken?

Mr. WASHBURN. An appeal was taken.

The CHAIRMAN. Who constituted——

Mr. WASHBURN. After I resigned, however.

The CHAIRMAN. I beg your pardon?

Mr. WASHBURN. An appeal was taken, but it was after I resigned.

The CHAIRMAN. Who constituted the executive board to whom he appealed? Give their names.

Mr. WASHBURN. You mean the names of the members?

The CHAIRMAN. The names of the members of the board to whom he appealed.

Mr. WASHBURN. Well, myself, of course, as president of the international union; Anthony Doria, as secretary-treasurer; George Gresham, vice president; Frank Evans, board member at large.

Carl Smeagle, board member from region No. 3, which would be eastern Ohio. Morris Wientraub, regional director of region 4, which would be western Ohio and Kentucky. I. Lopogle, board member and director of region 6, which would be eastern Michigan.

Edward Donohue, board member of, and regional director of western Michigan, region No. 7. Earl Heaton, board member and director of region 8, which would be Illinois and Indiana and Missouri.

Carl Greipentrog, board member and director of region 9, which included Wisconsin and North and South Dakota and Chicago.

The CHAIRMAN. That makes 10 members, a total of 10 members?

Mr. WASHBURN. A total of 10 members, sir.

The CHAIRMAN. Now, you had resigned?

Mr. WASHBURN. No. When do you mean? I beg your pardon.

The CHAIRMAN. Before the appeal was taken, I thought you said.

Mr. WASHBURN. Before the appeal was taken. However, there was a special board meeting called right after I took the action.

The CHAIRMAN. I beg your pardon?

Mr. WASHBURN. There was a special meeting of the international executive board right after I took the action. Johnny Dio was in jail, and his appeal could not be acted upon and I did not notice the date of that letter when I just looked at it.

The CHAIRMAN. What I am trying to get is, were you president and did you participate in this board meeting?

Mr. WASHBURN. On the appeal, no.

The CHAIRMAN. You had resigned, I understood you to say, by the time the board considered the appeal or before it considered the appeal.

Mr. WASHBURN. Before it considered the appeal; yes, sir.

The CHAIRMAN. Well, there were two different board meetings, and you resigned at the conclusion of the first meeting, is that correct?

Mr. WASHBURN. That is correct.

The CHAIRMAN. Why?

Mr. WASHBURN. Because the board voted to rescind my action.

The CHAIRMAN. They voted to rescind your action?

Mr. WASHBURN. Regarding suspension of Dio, and the lifting of the charters in New York.

The CHAIRMAN. They did that even before the appeal was taken?

Mr. WASHBURN. That is right.

The CHAIRMAN. You were present then, when they voted to rescind your action?

Mr. WASHBURN. I was present.

The CHAIRMAN. And to restore these unions and also restore Dioguardi to his position?

Mr. WASHBURN. That is right.

The CHAIRMAN. What was the vote?

Mr. WASHBURN. Well, the vote was 7 to 2, not counting mine. I did not vote.

The CHAIRMAN. Seven to two?

Mr. WASHBURN. Yes.

The CHAIRMAN. Do you remember who of these voted favorably on the motion to restore these unions and Dioguardi?

Mr. WASHBURN. Very well.

The CHAIRMAN. Name the seven who voted accordingly.

Mr. WASHBURN. The seven that voted against my action were Anthony Doria, secretary-treasurer; Gresham, vice president; Carl Smeagle, I. Lopogle, Earl Heaton, and Carl Greipentrog.

The CHAIRMAN. That makes six.

Mr. WASHBURN. And Frank Evans.

The CHAIRMAN. There were only two who supported you, Donahue and Wientraub.

Mr. WASHBURN. Yes; they supported my action.

Senator McNAMARA. You indicate that at this first board meeting they rescinded your order suspending or expelling Dio.

Mr. WASHBURN. Yes.

Senator McNAMARA. What would be the occasion to have him make the appeal if they had already reinstated him in effect by reversing your suspension?

Mr. WASHBURN. Yes, they did. They rescinded the action and they did hold in abeyance Dio's suspension.

Senator McNAMARA. I am trying to understand. How do you explain this?

Mr. WASHBURN. As far as I am concerned, by the action of the board and in such a meeting, it was quite a battle, and there were a lot of things said, and a lot of positions taken. By and large, they rescinded my entire action.

Senator McNAMARA. Did that not in effect reinstate him?

Mr. WASHBURN. In effect, it did, but they went through the process for publicity purposes of voting a hearing in order to give Johnny Dio a clean bill of health.

Senator McNAMARA. What year was this?

Mr. WASHBURN. This would be in 1954.

Senator McNAMARA. Was this before he was convicted of extortion?

Mr. WASHBURN. Oh, this was after that. What do you mean? You mean this recent conviction? His first conviction for extortion as I get it was back in 1934 or 1935 or somewhere along there.

Senator McNAMARA. In 1934 or 1935 before he was a member?

Mr. WASHBURN. Yes; before I ever knew him.

Senator McNAMARA. Before he had any connection with organized labor?

Mr. WASHBURN. I don't know what connection he had.

Senator McNAMARA. Or you know of any connection he had.

Mr. WASHBURN. That I know of; yes, sir.

Senator McNAMARA. And then what pressure was he using to extort money then, do you know?

Mr. WASHBURN. No; I don't.

Senator McNAMARA. Then he was a businessman at this time?

Mr. WASHBURN. For all I knew, he was a businessman.

Senator McNAMARA. He was in the dress-manufacturing business?

Mr. WASHBURN. Yes; and florists' shops.

Senator McNAMARA. It is hard to find out how this businessman was involved in the extortion. If the record shows that, I think we ought to have an explanation. But you do not have the facts?

Mr. WASHBURN. He is quite a mixed-up character and I don't have the facts.

Senator McNAMARA. Many characters are mixed up. Apparently his first connection with organized labor was when he was issued a charter by your union.

Mr. WASHBURN. As far as I know; yes, sir.

Senator McNAMARA. And he got into the teamsters union because you were ordered to transfer this local union that he represented into the teamsters?

Mr. WASHBURN. He didn't get into the teamsters at that time, sir. That deal fell through flat.

Senator McNAMARA. How did he get into the teamsters?

Mr. WASHBURN. He got into the teamsters after I resigned, as I understand it, and these locals that were involved in the suspension or lifting of the charters that I made, were later manipulated as I read in the papers now, and I don't have any evidence on that.

I understand, in accordance with the charts here, these locals that were involved in my suspension were later involved in this transfer of shops and members into the teamsters union, to manipulate the vote in the joint council of teamsters.

Senator McNAMARA. If you will glance at the chart, there is an indication in the left-hand column, local 649 apparently was a sort of parent local of all of these others; is that the way you understand it?

Mr. WASHBURN. That is right.

Senator McNAMARA. And the red line transferring members from 649 to 651, did that include the transfer of Dio in that operation as you understand it?

Mr. WASHBURN. I wouldn't know that, sir.

Senator McNAMARA. That was later than your time?

Mr. WASHBURN. I never knew, actually, except by newspaper articles as to what happened in that situation. I do not know whether Dio actually became a member of the teamsters union or not and I couldn't say that.

Senator McNAMARA. You do not know whether he is or not?

Mr. WASHBURN. No; I have no information on that.

Senator McNAMARA. But this early conviction was before the time that you had issued him a charter?

Mr. WASHBURN. Oh, yes.

Mr. KENNEDY. Just finishing up, immediately after you lifted the charters, then you were overruled by your board, and then you told us this morning of the conversation or the speech that Mr. Hoffa made to the Michigan Federation of Labor; is that right?

Mr. WASHBURN. Yes, sir.

Mr. KENNEDY. It was early 1954, or the middle of 1954, in which he made the speech about Johnny Dio's character, and that it all would

be peaceful in New York now that Dio had his charters back; is that right?

Mr. WASHBURN. I can give you a newspaper clipping on that. That is the best I can give you on that.

Mr. KENNEDY. That is the sum and substance of what you testified?

Mr. WASHBURN. Yes; and I get my direct information on that from Mr. Donohue, who was our regional director in the western Michigan area, and was in attendance at that convention. He had some exchange of words with Mr. Hoffa at that time.

The CHAIRMAN. Do you have the newspaper clipping with you?

Mr. WASHBURN. I think that I do; yes, sir.

The CHAIRMAN. It will be filed as an exhibit for reference.

Mr. WASHBURN. It is not a newspaper clipping, and if I have it, it is a photostat of it.

I am sorry, I don't have it. I can send it to you, though.

The CHAIRMAN. You may send it to us. I don't know whether it has any value or not, but you may send it to us and we will examine it.

We will proceed.

Senator KENNEDY. I was not here all morning or all of the time this morning, but I understand that the witness testified, or at least I was here for part of that, about Mr. Dio and about the connection between Mr. Dio and Mr. Hoffa.

Now, I understand there was also some mention of Mr. Dubinsky. Was Mr. Dubinsky opposed to Mr. Dio, from your knowledge, during some of these years?

Mr. WASHBURN. Was he opposed to Mr. Dio? Yes, he was. He was moving heaven and earth for us to get him out of our union.

Senator KENNEDY. Thank you.

The CHAIRMAN. Are there any other questions of this witness?

Senator GOLDWATER. Just to comment, Mr. Chairman, that I think the witness has been an excellent witness, and I hope that we have more like him. From what you have said, I think we can sum up that the situation we have been hearing has been caused by the Hoffa-dominated racket-labor clique which is responsible for Johnny Dio. Hoffa has been convicted twice as a labor racketeer, and Dio has been convicted and Dorfman, a member of the Capone mob, has been determined to be an unfit person to be in labor, and Doria has been forced out of the UAW-AFL, and Sam Berger has resigned from the International Ladies' Garment Workers Union.

All of which leads me to believe that more and more the need is appearing for legislation to correct this infiltration of racketeers into unions. When a man like Hoffa can exert his influence in a union to the extent that he can bring with him and keep with him men of this caliber, I think the union movement is in a dangerous situation.

The CHAIRMAN. Are there any further questions?

The Chair wishes to thank you for your testimony. I have reason to believe that there are many instances where people know as much and possibly more than you, but they are not going to favor us with what they know and what would be helpful.

I certainly personally commend you for withdrawing from a situation where you would have had to be a party to condoning the action that was taken by your board. I think that you are to be commended very highly for doing so. You no doubt did it at some personal finan-

cial sacrifice. I am sure that you love unionism and you would like to see unionism advanced in this country, and the rights of the workers protected and the benefits secured for them to which they are entitled.

But I applaud you for disapproving of the methods of using gangsters and hoodlums and people like that to operate the unions or handle the funds of working people who pay dues for the purpose of having their rights protected.

Thank you very much.

Mr. WASHBURN. Thank you, sir. And if I might say, I certainly do believe in organized labor, and any time I can help any legitimate labor organization in the future I will do so.

Thank you.

The CHAIRMAN. Call the next witness.

Mr. KENNEDY. Mr. Theodore Ray, of New York City.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. RAY. I do.

TESTIMONY OF THEODORE RAY

The CHAIRMAN. State your name and your place of residence and your business or occupation.

Mr. RAY. Theodore Ray, 218 Seventh Street, New York. Unemployed at the present.

The CHAIRMAN. What is your past employment?

Mr. RAY. I can't hear you.

The CHAIRMAN. What is your past employment?

Mr. RAY. Businessman in the trucking business.

The CHAIRMAN. Do you own trucks and operate trucks?

Mr. RAY. Yes, sir.

The CHAIRMAN. Have you discussed with members of the staff your testimony, or you know or you are familiar with the inquiry that will likely be made of you?

Mr. RAY. I stand on my rights under the Constitution, of the fifth amendment.

The CHAIRMAN. I do not think it would tend to incriminate you to talk to a member of this staff. If that is what you propose to do, to take the fifth amendment, we might just as well get down to business.

Proceed to ask him questions, Mr. Counsel.

Mr. KENNEDY. When we first subpoenaed Mr. Ray, and our investigator went up to hand him the subpoena, Mr. Chairman, he denied that he was Teddy Ray, and he said that he was Mike Ray. Is that not correct?

Mr. RAY. I decline to answer on the grounds of incriminating myself.

The CHAIRMAN. I did not understand you.

Mr. RAY. I decline to answer on the grounds that it will incriminate me.

The CHAIRMAN. You might incriminate yourself?

Mr. RAY. Yes, sir.

The CHAIRMAN. All right, proceed.

Mr. KENNEDY. Just a little bit of your background, Mr. Ray. As I understand it, you are also known as Samuel Arenson. Is that another name that you use?

Mr. RAY. I decline to answer on the grounds of incrimination.

Mr. KENNEDY. And you are also known by the nickname of "Skinny."

Mr. RAY. I decline to answer on the grounds of incrimination.

Mr. KENNEDY. How long have you had the name "Skinny," Mr. Ray?

Mr. RAY. I decline to answer on the grounds of incrimination.

Mr. KENNEDY. Mr. Chairman, Mr. Ray at the present time is under indictment in connection with the acid blinding of Victor Riesel, and we do not intend to go into that at the present time.

When the FBI was looking for him, they described him as "apt to be armed and extremely dangerous." We don't expect to pursue that, but Mr. Ray was on the original charter of local 102 when it was granted and he also had some business dealings with Mr. Dio since, and once in a dress company, and he was also one of the original officers of Equitable Research Co., which was a management-labor consulting firm operating out of New York City.

I would like to ask you, Mr. Ray, about how you happened to be an applicant on the original charter for local 102?

Mr. RAY. I decline to answer on the grounds of incrimination. I don't want to incriminate myself.

The CHAIRMAN. Don't you think that kind of incriminates you, the kind of answer that you are giving? You are so sure about wanting not to incriminate yourself.

The Chair is reminded that he forgot to ask you whether you waive counsel.

Do you?

Mr. RAY. I decline to answer.

The CHAIRMAN. Very good.

Mr. KENNEDY. Could you tell the committee a little of your background before you applied for this charter for local 102?

Mr. RAY. I decline to answer. The same grounds, it will incriminate me.

Mr. KENNEDY. Would you tell us what your connection has been with Mr. Dio?

Mr. RAY. I decline to answer.

Mr. KENNEDY. Did he approach you about going on this charter?

Mr. RAY. I decline to answer.

The CHAIRMAN. I want to present to you here an exhibit of the testimony which is a photostatic copy of the original application for charter for local 102. I see a name there, Theodore Ray.

Will you look at it, please, sir. Is that your name?

Mr. RAY. I decline to answer on the ground it would incriminate me.

The CHAIRMAN. Is that your handwriting?

Mr. RAY. Again on the fifth amendment, I decline to answer on ground of incrimination.

The CHAIRMAN. Are you ashamed of it?

Mr. RAY. I decline to answer on the grounds I stated.

The CHAIRMAN. Proceed, Mr. Counsel.

Mr. KENNEDY. Mr. Ray, we understand, also, that you were in business with Mr. Dio in the Acme Dress Co.; is that correct?

Mr. RAY. I decline to answer on the ground of incrimination.

Mr. KENNEDY. Was that a nonunion shop that you and Mr. Dio were operating?

Mr. RAY. I decline to answer on the grounds of incrimination.

The CHAIRMAN. Do you honestly believe that if you answered these questions truthfully, that a truthful answer might tend to incriminate you?

Mr. RAY. I decline to answer on the grounds of incrimination.

The CHAIRMAN. The Chair orders and directs you to answer the question.

Mr. RAY. I stand on the fifth amendment, and I decline to answer on the ground of incrimination.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Chairman, after local 102 was set up, there was also established local 649, which as we described yesterday was the parent union of the operations in New York City by Mr. Johnny Dioguardi. We have an organization registration form which is filed with the Department of Labor, for local 649 of the UAW-AFL, and on there it shows Theodore Ray as vice president of that local.

Mr. RAY. I decline to answer on the ground it would incriminate me.

The CHAIRMAN. You don't object to my answering, do you? The question was addressed to me.

Mr. Counsel, this local 649 is what you termed yesterday the parent local of the paper locals; is that correct?

Mr. KENNEDY. It is the parent local. It is the first local after 102 that was established, and it was established on March 22, 1952, Mr. Chairman, and it was the headquarters of Mr. Johnny Dioguardi and his operations in New York City when he was district director.

From 649 Mr. Joseph Curcio, and Mr. Davidoff, and Sidney Hodes, and Abe Brier came down into the paper locals, the so-called teamster paper locals, Mr. Chairman.

This is the document that is filed with the Labor Department regarding the officers of that union.

The CHAIRMAN. On this document which is official in the Labor Department, it is entitled, "Labor Organization Registration Form Under Public Law 101, 80th Congress."

In reporting who were the officers of local 649, United Automobile Workers of America, AFL, it is reported in here that Johnny Dioguardi is president and he was elected on March 25, 1952. Is that correct, and was he president of this organization?

Mr. RAY. I decline to answer on the ground of incrimination.

The CHAIRMAN. Right under his name appears yours, as vice president, elected at the same time. Do you deny that?

Mr. RAY. I decline to answer on the ground of incrimination.

Senator CURTIS. When were you born?

Mr. RAY. I decline to answer on the ground of incrimination.

Senator CURTIS. What schools, if any, did you attend?

Mr. RAY. I decline to answer on the ground of incrimination.

Senator CURTIS. Do you have any friends in the labor movement?

Mr. RAY. I decline to answer on the ground of incrimination.

Senator CURTIS. Do you know Mr. Hoffa?

Mr. RAY. I decline to answer on the ground of incrimination.

Senator CURTIS. Have you ever seen Mr. Hoffa?

Mr. RAY. I decline to answer on the ground of incrimination.

Senator CURTIS. Have you ever discussed any business, labor business or otherwise with Mr. Hoffa?

Mr. RAY. I decline to answer on the ground of incrimination.

Senator CURTIS. Have you ever had any conversations with Mr. Hoffa that would not incriminate you?

Mr. RAY. I decline to answer on the grounds of incrimination.

Senator CURTIS. Have you ever been in any meetings with Mr. Hoffa, the facts concerning which would not incriminate you?

Senator KENNEDY. I must raise some question about this. I do not know whether it is going to be deferred that this witness has a connection with Mr. Hoffa, but this witness is, from all I gather, a reprehensible citizen. Because he has taken the fifth amendment as part of his policy, which is part of his constitutional right, I think that we should be careful about asking him questions on which he will take the fifth amendment, using people's names which may give an impression which may or may not be accurate.

I know the Senator is within his rights, but I do think as a matter of committee policy, unless there has been clear evidence linking him to people, we should not, because a witness takes the fifth amendment, permit a conclusion to be drawn that there is necessarily a connection between the two people.

The CHAIRMAN. Well, the Chair would say this: If anyone has an idea that possibly there is a connection, he has a right to ask the witness about it. In this instance, which I am about to ask, there appears to be an official connection where Johnny Dioguardi was president and Theodore Ray a vice president of local 649.

I want to ask you if you know Mr. Dioguardi.

Mr. RAY. Under my constitutional rights, I decline to answer on the ground of incrimination.

The CHAIRMAN. Have you every worked for him?

Mr. RAY. I decline to answer on the ground of incrimination.

The CHAIRMAN. Have you served as a bodyguard for him?

Mr. RAY. I am standing on my rights, constitutional rights, not to answer on the ground of incrimination.

The CHAIRMAN. Are you in his employ now?

Mr. RAY. I decline to answer on the ground of incrimination.

The CHAIRMAN. Do you work for any labor organization?

Mr. RAY. I am standing on my constitutional rights, and decline to answer.

The CHAIRMAN. Do you have any official position with any labor organization now?

Mr. RAY. I decline to answer on the ground of incrimination.

The CHAIRMAN. Have you had any in the past?

Mr. RAY. I am standing on my constitutional rights and I decline to answer.

The CHAIRMAN. Are there any further questions?

Senator GOLDWATER. Mr. Chairman, before we finish with this witness I just want to say, that inasmuch as Senator Ives has rightly pointed out on numerous occasions that the great majority of labor

leaders are not to be classified in the same breath with some of those that have appeared before us here, I think it is proper that I make a similar disclaimer about the dress business.

I have been closely connected with this business most of my life, and I want to assure the American people that the likes of Johnny Dio and Ted Ray do not represent the dress business of New York nor of any other city in America.

In fact I am rather ashamed that people like this would hide behind the skirts of America.

The CHAIRMAN. All right. Is there anything further?

Mr. KENNEDY. In addition to the information that we had of the connection originally of Mr. Ray with local 102, and Mr. Johnny Dioguardi, and local 649 and Johnny Dioguardi, and the Acme Dress Co., we also had information that Mr. Ray was one of the first officers for the Equitable Research Co., which is the labor-management firm, and I was wondering if you could tell us anything about how that was formed, Mr. Ray.

Mr. RAY. I am standing on my constitutional rights, and decline to answer on the ground of incrimination.

Mr. KENNEDY. In that concern, you and Mr. Dioguardi were advising employers as to their labor problems; is that right?

Mr. RAY. I decline to answer on the grounds of incrimination.

Mr. KENNEDY. Were you able to assure any employers that they would not have any difficulties with any labor unions?

Mr. RAY. I am standing on my constitutional rights. I decline to answer on the ground of incrimination.

Mr. KENNEDY. We understand, also, Mr. Chairman, that Mr. Ray drives a car and was the driver for Mr. Dioguardi. Is that correct?

Mr. RAY. I decline to answer on the ground of incrimination.

The CHAIRMAN. You may stand aside for the present.

Senator KENNEDY. I just want to ask Mr. Ray a question.

As I understand it, you were indicted for having driven the car which was used at the time of the throwing of the acid in Mr. Riesel's eyes, but that because of the pressure put on the witnesses, the matter was dismissed.

Mr. KENNEDY. It has not been dismissed. It has been postponed. They went to trial, and the witnesses that were to testify concerning the matter, and involving Mr. Ray and Mr. Dioguardi, refused to testify, as they had testified before the grand jury, and the case was postponed by the United States attorney in New York City. Those witnesses were given sentences for contempt of court when they refused to testify, but the trial had to be postponed because of that.

Senator KENNEDY. He was indicted for driving the car?

Mr. KENNEDY. Yes, after the acid was thrown in Mr. Riesel's eyes.

Senator KENNEDY. Thank you.

The CHAIRMAN. Is there anything further?

The witness will stand aside, and you will remain under subpoena, and you will be dismissed at the pleasure of the committee.

Call the next witness.

Mr. KENNEDY. Mr. Topazio.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so held you God?

Mr. TOPAZIO. I do.

**TESTIMONY OF ANTHONY TOPAZIO, ACCOMPANIED BY HIS
COUNSEL, JOHN N. ROMANO**

The CHAIRMAN. State your name, your place of residence, and your business or occupation, please, sir.

Mr. TOPAZIO. Anthony Topazio.

The CHAIRMAN. Where do you live?

Mr. TOPAZIO. 33 Mardino Avenue, Yonkers, N. Y.

The CHAIRMAN. What is your business or occupation?

Mr. TOPAZIO. Truckdriver.

The CHAIRMAN. Mr. Topazio, have you discussed with members of the committee staff, the information that you may have to give to the committee.

Mr. ROMANO. Mr. Chairman, at this time I would like to make a statement.

The CHAIRMAN. Just one moment. If you will let me make the record, just one second.

First of all, I will ask you this: It appears that you have an attorney present. You have counsel to represent you, have you?

Mr. TOPAZIO. Yes, sir.

The CHAIRMAN. Now you may identify yourself for the record.

Mr. ROMANO. John N. Romano, 45 South Broadway, Yonkers, N. Y.

The CHAIRMAN. You are a member of the New York bar?

Mr. ROMANO. Yes; a member of the New York State bar.

A meeting was held approximately, I believe it is 2 weeks ago, with Mr. Dunne, from your committee.

The CHAIRMAN. I beg your pardon?

Mr. ROMANO. A meeting was held between Mr. Topazio and a Mr. Dunne in which I represented Mr. Topazio, at Foley Square, New York City.

At that time, I asked Mr. Dunne certain questions as to procedure. He handed me a booklet here, which I read very thoroughly.

The CHAIRMAN. You have a copy of the rules of the committee?

Mr. ROMANO. That is correct. Now, I wonder if I may ask one question at this time. I realize it is unusual and it is the first time I have ever been to Washington and I feel that I would like to ask a question.

The CHAIRMAN. You may ask a question.

Mr. ROMANO. On the procedure, you are to put questions to my client and may I at this time object directly to the Chair or must I first have my client speak through me to the Chair as to objections?

The CHAIRMAN. The procedure is that your client at any time a question is asked, may confer with you as to whether he should answer the question, as to whether you think the question is pertinent or not, and whether he should answer it.

If you have any doubt about it, then you may address the Chair or you may give him such advice as you think proper, representing him.

But you are at liberty to address the Chair at any time that you feel that you wish to interpose objections to questions and the Chair will promptly rule on it.

Mr. ROMANO. The first request and the first application I make to the chairman here is in accordance with paragraph 8, Rules of

Procedure, as to cameras and TV. If possible, I would appreciate that they be turned away from my client.

The CHAIRMAN. I can answer that very promptly. We usually grant it where a witness is willing to testify and does testify. If it is his purpose to take the fifth amendment, then it will not be granted. Lights cannot bother anyone very much if all they intend to say is, "I take the fifth amendment." In that case, I do not think there is much of a distraction to them.

Mr. ROMANO. I take exception to it and I feel it is a violation of the constitutional rights, article I, and article IV.

The CHAIRMAN. You may take exception.

Mr. ROMANO. Strike that out. It is the first amendment and the fourth amendment.

This is the second request I make of the chairman: At the termination of this hearing and examination of my client, assuming that my client were to invoke the fifth amendment, will the Chair recite a basic rule of law that the invocation of this privilege is not to be construed in any manner against him?

The CHAIRMAN. The Chair will let the public draw any inference it cares to from any statement that your client may make from his invoking of the fifth amendment.

He is not on trial and we are here to get information. He is not charged with any crime so far as this committee is concerned, and I do not know whether he is anywhere else.

But as to any inference, any statement I would make would not contribute one thing either way. He is not charged with guilt or a crime at this time, not by this committee at least, and we simply are seeking information.

If he takes the fifth amendment, anything I would say could not influence what someone else might think.

Mr. ROMANO. But, sir, I will say in seeking the information, my client has certain constitutional rights which I believe you as chairman must recognize. Now, keeping that in mind, I certainly feel that to inform the American public of that privilege and that no aspersions in any manner, shape, or form—

The CHAIRMAN. The Chair declines to grant the request. I am not going to tell the American public that they cannot draw such inferences as they may and will from his demeanor on the stand, and from whatever he may say or refuse to say.

I will submit it to the committee and I should have done that, I assume.

Senator CURTIS. That is a correct statement.

The CHAIRMAN. The committee sustains the Chair.

All right, Mr. Kennedy, proceed.

Mr. KENNEDY. Mr. Chairman, as I stated before, the union that was the parent union of the operations of Mr. Dioguardi in New York City was local 649. We have information that Mr. Topazio was secretary-treasurer of local 649 and had a close personal relationship with Mr. Johnny Dioguardi.

I would like to ask him first about his history in the labor-union movement and when you first joined a labor union.

(The witness conferred with his counsel.)

Mr. TOPAZIO. I respectfully refrain from answering the question in accordance with the rights established, guaranteed me under the fifth amendment of the Bill of Rights.

Mr. KENNEDY. I am wondering, specifically, how you came to be secretary-treasurer of local 649, Mr. Topazio.

Mr. TOPAZIO. Again I respectfully refrain from answering the question in accordance with the rights established and guaranteed me under the fifth amendment of the Bill of Rights.

Mr. KENNEDY. Did Mr. Johnny Dioguardi suggest you for that position?

Mr. TOPAZIO. I respectfully refrain from answering the question in accordance with the rights established and guaranteed me under the fifth amendment of the Bill of Rights.

Mr. KENNEDY. Now, Mr. Chairman, our information is that while secretary-treasurer of local 649, Mr. Topazio and a Mr. Cohen were placed as trustees over another local of the UAW, namely, local 136. It was then headed by a man by the name of Lou Lasky. They were given that position as trustees by Mr. Johnny Dioguardi; is that correct?

Mr. TOPAZIO. Again I respectfully refrain from answering the question in accordance with the rights established and guaranteed me under the fifth amendment of the Bill of Rights.

Mr. KENNEDY. What we understand is that Mr. Lasky opposed the trusteeship of Mr. Dioguardi, which he sought to impose upon him, with Mr. Topazio and Mr. Cohen and he was assisted in this by the fact that just prior to the time that Mr. Cohen and Mr. Topazio came in to take over their positions, they were picked up on extortion; is that right?

Mr. TOPAZIO. I respectfully refrain from answering the question in accordance with the rights established and guaranteed me under the fifth amendment of the Bill of Rights.

Mr. KENNEDY. And that you and Mr. Cohen as officials in 649, sought to extort \$10,000 from the Universal Bulb Corp; is that right?

Mr. ROMANO. Excuse me, Mr. Chairman, before my client replies to that, I think that it is a matter of public record that my client had pleaded guilty to a charge of attempted extortion in the city of New York and he has paid his price.

I don't think going into that, and I humbly submit this for your examination, would assist this committee in any way.

The CHAIRMAN. Let me see just a moment. I think it is already a part of the record.

Mr. KENNEDY. He is the one over here. He is the top of the list in July 1952.

The CHAIRMAN. Well, it is a matter of record and I assume that would not incriminate him to answer it.

I will ask the question, Are you the same person who was convicted for extortion in July of 1952?

Mr. ROMANO. We have already conceded that, and it is a matter of public record.

The CHAIRMAN. That is conceded. Proceed.

Mr. ROMANO. At this time, I notice again, for your information, and here I am only concerned, or my main concern is my client's rights, and I notice there is a chart on which his name is placed first on.

At this time, I object to that chart.

The CHAIRMAN. The objection is overruled, and the chart is already admitted in evidence.

Proceed.

Mr. KENNEDY. Mr. Chairman, the importance of Mr. Topazio once again, is that he was one of the first officers and officials of the labor union movement that was started by Johnny Dioguardi, in New York City.

Immediately, within a short time after becoming an official in the union, he and Mr. Cohen were picked up on extortion. It is clear from the record how close they were to Johnny Dioguardi by the fact that Johnny Dioguardi attempted to make them trustees over another local, Local 136 of the UAW.

The CHAIRMAN. Let me ask if that followed their conviction for extortion?

Mr. KENNEDY. What happened, Mr. Chairman, is that Mr. Dioguardi appointed Mr. Topazio and Mr. Cohen as trustees of local 136. This was opposed by Lasky of 136 and prior to the time that it could be decided, Mr. Topazio and Mr. Cohen were picked up on extortion.

Now, I have just the facts here and I think, once again, the facts in this case indicate the type of operation that can exist if people of the wrong type gain control of some of these locals.

I would like to point out that even after this, Mr. Dioguardi's empire or group of unions expanded in New York City and then, of course, he had the important position, and his people had the important position in the teamster fight at the end of 1955 and early 1956.

The CHAIRMAN. Ask the witness any questions you wish.

Mr. KENNEDY. It states from the indictment that the facts in this case establish—

Mr. ROMANO. Excuse me at this point. Counsel, we have gone over this, and I have already said before that we have conceded that, and for what purpose at this time, sir, may I say, can this question serve any purpose?

The CHAIRMAN. We will ask the questions so that the public may know some of the information we are seeking.

We have before us witnesses who have that information. Now, if they want to take the fifth amendment, that is their privilege. But we think that the laboring people of this country, who are paying their dues for the purpose of or in the hope that they will be benefited by the labor organization to which they belong, are entitled to have information about how their union is operated.

We feel that the Congress is entitled to have information as to how unions are operated today, particularly some of them, so that if they are not operated properly and lawfully or operated by gangsters and thugs, the Congress might have information upon which to pass legislation.

Mr. ROMANO. Mr. Chairman, I myself, and my client are in complete agreement with that statement. My client has paid his price, and he has left New York City, and he has not returned.

Now, I feel to labor on a question of whether or not this man has been guilty of a particular crime which is conceded, and he serves time, I feel personally will only injure whatever life he has left after these hearings.

The CHAIRMAN. Well, let me ask him a question or two. Are you now a member of any labor organization?

(The witness conferred with his counsel.)

Mr. ROMANO. Will you restate that, please?

The CHAIRMAN. I ask your client, the witness, if he is now a member of any labor organization.

(The witness conferred with his counsel.)

Mr. TOPAZIO. I respectfully refrain from answering the question in accordance with the rights established and guaranteed me under the fifth amendment of the Bill of Rights.

The CHAIRMAN. Are you now employed by any labor organization?

(The witness conferred with his counsel.)

Mr. TOPAZIO. I respectfully refrain from answering the question in accordance with the rights established and guaranteed me under the fifth amendment of the Bill of Rights.

The CHAIRMAN. Are you now or have you been since your conviction an officer in any labor organization?

Mr. ROMANO. Mr. Chairman, again I have a question to ask. I am concerned here with a waiver, and that is one of the principal reasons that this particular amendment is being invoked here now. Some of the questions are probably extraneous to the hearing here, but we must—and it is my opinion we must—invoke this.

The CHAIRMAN. You mean pertinent to the hearing here?

Mr. ROMANO. That is correct, sir. Well, some are pertinent and some are not, sir. But we must invoke it not to be considered or not to have my client waive his privilege. That is the only reason. I want to point that out to you, sir.

The CHAIRMAN. I understand your position entirely. The only purpose in now asking the question is we think the laboring people, again, those who work and who pay their dues, are entitled to know the character of the people and some of the operations of the heads of the unions or those employed by the unions. For that reason, I am asking these questions.

Mr. ROMANO. Sir, you are entitled to an answer, and I put this to your counsel, Mr. Dunne. I indicated to him if the committee, since the statute does not provide for any immunity, keeping that in mind there is a possibility here of also being prosecuted—

(At this point, Senator McNamara withdrew from the hearing room.)

The CHAIRMAN. What I am asking now is, Does he now have any position with the union or has he had since the time of his indictment? If so, I want to know who is responsible for his having that position.

(The witness conferred with his counsel.)

Mr. TOPAZIO. I respectfully refrain from answering the question in accordance with the rights established and guaranteed me under the fifth amendment of the Bill of Rights.

The CHAIRMAN. Any other questions?

Mr. KENNEDY. Our information is that he is very active in the labor movement at the present time, that he is connected with local 500, an independent teamster local in Westchester County.

Is that correct, Mr. Topazio?

Mr. TOPAZIO. I respectfully refrain from answering the question in accordance with the rights established and guaranteed me under the fifth amendment of the Bill of Rights.

Mr. KENNEDY. This is local 500, an independent teamster local, a rump group from local 445 of the teamsters union. They have had disputes in Westchester County—

Mr. ROMANO. Mr. Chairman, I am going to object to the term "rump." I happen to represent some of the—

The CHAIRMAN. I do not know just what the term means. When we split off down in Arkansas from the Democratic Central Committee, when it nominates somebody and we think they are exceeding their authority, we have what we call a rump convention. I do not know what it means, but we raise the roof, anyhow.

Mr. ROMANO. This group of 500 are just men who were thoroughly disgusted with the men who were running 445.

The CHAIRMAN. We will use any other term that you wish to use to describe it.

Mr. ROMANO. I call them blood-and-guts Americans. They know what they want, these men.

The CHAIRMAN. Let us talk about these blood-and-guts Americans, then, a little. I believe they will answer questions.

Mr. ROMANO. The president of it, Mr. Cavanaugh, just resigned, and I understand he did under pressure from the joint council.

The CHAIRMAN. You are talking about 445?

Mr. ROMANO. Local 500, sir, independent teamsters. In fact, the tires to my car have been slashed on two separate occasions because I had, let us say, the temerity to represent people who don't want to be affiliated with an international. I pointed that out to Mr. Dunne. We went through this down in Foley Square.

Mr. KENNEDY. Mr. Stickels and Mr. Masielo are not connected with 500, are they?

Mr. ROMANO. Sir, every man who is connected with 500 has no kind of record at all. I can honestly say the thing has been blown to bits because of the duress used by the members of 445, the officials right now.

Mr. KENNEDY. Can I get an answer to the question of whether Mr. Stickels or Mr. Masielo are in any way connected with local 500?

Mr. ROMANO. Is that directed to me, sir?

Mr. KENNEDY. I would like to get the answer to the question. Will he tell me? He is under oath.

Mr. ROMANO. You can appreciate my position on the waiver, sir. I can tell you, but it would be violating a principle which is essential to this country, the privilege between client and lawyer.

Mr. KENNEDY. Mr. Chairman—

The CHAIRMAN. Ask the client. I mean, ask the witness and then we will proceed.

Mr. KENNEDY. Are Mr. Stickels and Mr. Masielo connected in any way with local 500?

(The witness conferred with his counsel.)

Mr. TOPAZIO. I respectfully refrain from answering the question in accordance with the rights established and guaranteed me under the fifth amendment of the Bill of Rights.

Senator IVES. May I butt in here just a minute, Mr. Chairman?

The CHAIRMAN. Senator Ives.

Senator IVES. I cannot help thinking that your reluctance to be honest about this and give us the lowdown puts the whole thing in

great doubt. I come from New York State myself, as you probably know. I know something about Westchester. Why can you not be frank, if you are on the level?

Mr. ROMANO. May I answer you, Senator?

Senator IVES. No; I am asking your client.

Mr. ROMANO. I am representing him, sir.

Senator IVES. I do not care who you are representing. Can't he talk? He is a New Yorker and so am I. It is high time he learned to talk a little bit for himself.

I mean business.

I do not want your testimony; I want your client's testimony.

The CHAIRMAN. The witness may answer the question.

(The witness conferred with his counsel.)

Mr. TOPAZIO. If in talking to you, Senator, I waive my rights, I can't answer.

Senator IVES. Well, I thank you. Go ahead.

Mr. TOPAZIO. Am I waiving my rights, Senator?

Senator IVES. You cannot talk to me?

Mr. TOPAZIO. Yes, if I waive my rights.

The CHAIRMAN. What the witness is saying, as I understand him, is if he answers your question he waives his rights then to invoke the fifth amendment.

Is that correct?

Mr. ROMANO. That is correct, sir.

Senator IVES. I cannot for the life of me understand, as one New Yorker to another, why he cannot be on the level.

Mr. ROMANO. Sir, if I may, Senator, I turned to the authorities in giving my client advice, and I have turned to the law and the Constitution, the common law. I honestly feel we should give it some respect here.

Senator IVES. Can you not give honesty a little respect here, too?

Mr. ROMANO. We are attempting to give honesty respect.

Senator IVES. You are ducking all around the yard, as far as I can see.

Mr. KENNEDY. Mr. Chairman, I might say Mr. Stickels and Mr. Masielo were the officials of local 445; and they were indicted and convicted for extortion, I believe, of somewhere around \$50,000. They served their time in prison and, as I understand it, they are out now.

That is why there are two groups in New York, in Westchester County: local 500 that is independent, and local 445 which is part of the teamsters, and which officers took over after Stickels and Masielo left.

That is why I would be interested in finding out whether Stickels and Masielo are now connected with your independent local 500.

(The witness conferred with his counsel.)

Mr. TOPAZIO. I respectfully refrain from answering the question in accordance with the rights established and guaranteed me under the fifth amendment of the Bill of Rights.

Mr. KENNEDY. That is all, Mr. Chairman.

The CHAIRMAN. Are there any other questions?

I would like to ask, before the witness is excused, if we have any information, or any documentation or information, that this witness,

since his conviction for extortion, has been employed by, is a member of, or an official in, any labor organization.

Mr. KENNEDY. Mr. Chairman, our information is that he is an active participant in local 500 of the teamsters union, which is not a rump group but is independent.

Mr. ROMANO. Mr. Chairman, I want to call your attention to this fact. The president of 500, independent, I believe, has transmitted his resignation to the National Labor Relations Board, and I understand that as a result of the economic pressure and other pressures put on by the teamsters, and I understand further that they sent officials out in the field, local 500 is no more in existence. It was just one of those things. They just couldn't stand up to it.

The CHAIRMAN. All right.

Senator Goldwater?

Senator GOLDWATER. Mr. Topazio, you were convicted of extortion back in 1952. Were you given any term in connection with that?

Let him answer, please.

(The witness conferred with his counsel.)

The CHAIRMAN. Did you understand the question?

Mr. ROMANO. I don't believe I understood it, sir. He doesn't understand it.

Senator GOLDWATER. I will try to repeat it, Mr. Topazio. You were convicted of extortion back in 1952. Was there any term connected with that? Did you serve a term in jail?

(The witness conferred with his counsel.)

Mr. TOPAZIO. Yes, sir. I did serve time.

Senator GOLDWATER. You did serve your time. Then you served the sentence for that particular crime.

Are you under indictment for anything else at the present time?

(The witness conferred with his counsel.)

Mr. TOPAZIO. No.

Senator GOLDWATER. You are not under indictment. You are in no trouble, are you, with the law?

Mr. TOPAZIO. No, sir.

Senator GOLDWATER. Why are you taking the fifth amendment?

Mr. ROMANO. Sir—

Senator GOLDWATER. Wait a moment. I am not talking to you.

Why are you taking the fifth amendment?

I will talk to you sometime else

Mr. TOPAZIO. On advice of counsel, sir—

Senator GOLDWATER. That is a very strange situation. Usually when a person takes the fifth amendment, we feel that he certainly has the right to because he is under indictment or what he might tell us would tend to incriminate him. But here is an American citizen who, in the eyes of the law, and in the eyes of some citizens, at least, has nothing against him, and yet—just a moment—and yet he comes down here and takes the fifth amendment. It is a rather unusual procedure.

I will get to you.

If you want to talk, I will ask you why you give the client this kind of advice.

Mr. ROMANO. Sir, you might say he is under investigation. As I understand it, some officials from the Government have been to see him.

Is that correct?

Mr. TOPAZIO. Yes.

Mr. ROMANO. That is the reason why. There is no indictment but there is still the possibility that something might come out of these other investigations.

Senator GOLDWATER. There is that possibility, I guess, hanging over any American citizen.

Mr. ROMANO. I will only ask this question: How many times does an official of the United States Government knock on anybody's door? Only when there is suspicion of a crime being committed or the possibility of a crime.

Senator GOLDWATER. If you keep up with my speeches, you will find it is becoming increasingly so.

In this case, it seems unusual to me, Mr. Chairman, to have the fifth amendment taken, particularly when he is not incriminating himself. We are only seeking information which will help us in creating legislation, facts we have to have. I cannot understand his unwillingness to cooperate.

(The witness conferred with his counsel.)

The CHAIRMAN. Are there any further questions?

Senator CURTIS?

Senator CURTIS. I would like to ask the witness this question: When was the last that you were connected with local 649, UAW-AFL, or its successor in name?

Mr. TOPAZIO. I respectfully refrain from answering the question in accordance with the rights established and guaranteed me under the fifth amendment of the Bill of Rights, sir.

Senator CURTIS. I wonder if the staff could furnish this information.

When was the witness last connected with local 649, UAW-AFL, or its successor by a different name?

Mr. KENNEDY. I think we would have to ask him for that information.

Senator CURTIS. He declines to answer.

Mr. KENNEDY. I believe when he was convicted, we know officially he ended his connection. However, like Johnny Dio was supposed to end his connection with the UAW in 1954, he continued in 1955. So I think he would be the best source of information.

Senator CURTIS. I know he is the best source.

Mr. KENNEDY. We wouldn't know, except officially it ended when he went to jail.

Senator CURTIS. That is all.

Senator GOLDWATER. Mr. Topazio, trying to reason why you are taking the fifth amendment, are you afraid of Johnny Dio?

Mr. TOPAZIO. No, sir.

Senator GOLDWATER. Has he threatened you?

Mr. TOPAZIO. No, sir.

Senator GOLDWATER. Has anybody else threatened you in connection with the testimony that you might give here?

Mr. TOPAZIO. No, sir.

Senator GOLDWATER. Are you afraid of yourself?

Mr. ROMANO. Sir, as I said before to the committee, he has rights under the Constitution. The same document that produced the Congress and the Senate also produced human rights. That is all the man is doing. He is taking advantage of one of the basic rights.

Senator GOLDWATER. I have my rights, too, I might remind you, and I am just trying to find out why he is taking that right. I am not going to find out. I am not that optimistic.

The CHAIRMAN. Are there any other questions?

Some members of the committee have raised a question about your being in contempt. I am going to weigh that. I will not make any announcement about it at the present.

You may stand aside for the present.

Senator IVES. Mr. Chairman?

The CHAIRMAN. Senator Ives.

Senator IVES. Before you do that, I would like to put into the record an article that appeared in this morning's press entitled "Pressures Cited in the Hoffa Trial." I think it ought to be placed in our record.

I would like to ask counsel to comment on any information we may have on the subject. He may have seen the article.

The CHAIRMAN. The Chair would feel that this may be made an exhibit for reference. I do not think we will print it in this record. It is not pertinent in this particular hearing.

Senator IVES. That is all right.

The CHAIRMAN. If it is agreeable, I will make this article that appeared in the Washington Post of Thursday, August 1, 1957, entitled "Pressures Cited in Hoffa Trial," an exhibit for reference to this hearing.

I may say that this exhibit refers to expenses of Joe Louis having been paid, his expenses having been paid by Mr. Hoffa to get him to come down here and shake hands with him, and call him his friend, while Hoffa was on trial.

The committee has more information than that.

In the course of developments, and the staff may wish to comment, Mr. Hoffa did not pay his hotel bill. It was paid by union members, out of their dues, apparently, by a union and not by Mr. Hoffa personally. So to that extent, the article would be possibly misleading.

Is there any comment you wish to make, Mr. Counsel, on the basis of information you have?

Mr. KENNEDY. Mr. Chairman, several days ago we subpoenaed the hotel record of Mr. Joe Louis. He stayed at the Woodner Hotel. The arrangements were originally made for him by Mr. Baker. Mr. Baker is an organizer who operates out of St. Louis, who works for Mr. Hoffa and for Mr. Harold Gibbons. He has been arrested a number of times. He is an ex-fighter and has been arrested a number of times in connection with the throwing of stench bombs. He made the reservation for Mr. Louis and also for certain of the other teamsters' officials that came and stayed during the trial.

The bill for Mr. Louis while he stayed at the Woodner Hotel—he stayed for 1 night—this bill was sent to Mr. Donald Peters, the Warehousemen's Union, Local 743, of the Teamsters, 220 South Ashland, Chicago, Ill.

The CHAIRMAN. Is there anything further with this witness?

You are pursuing that matter further; are you?

Mr. KENNEDY. Yes; we are.

Mr. ROMANO. I want to thank the chairman for the opportunity to appear before you. Is it all right if I go back to Yonkers this evening, sir?

The CHAIRMAN. We will let you know after a little while. The Chair will determine whether we have any further need for your client.

Mr. ROMANO. Thank you.

The CHAIRMAN. I am sure everyone understood what I meant by investigating or looking into these expenditures with reference to the Hoffa trial. It occurs to me, and I think other members of the committee will agree with the Chair, that that would not be a proper expenditure for the dues-paying members to have to make. I do not know how much other expense of the trial was being paid out of union funds.

It would be a matter of some interest to this committee to find out, I think.

Call the next witness.

Mr. KENNEDY. Mr. Abe Goldberg.

(Members present at this point: Senators McClellan, Ives, Goldwater, and Curtis.)

The CHAIRMAN. Mr. Goldberg, will you be sworn, please, sir?

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. GOLDBERG. I do.

TESTIMONY OF ABRAHAM GOLDBERG

The CHAIRMAN. Will you state your name, your place of residence, and your business or occupation, please, sir?

Mr. GOLDBERG. Abraham Goldberg, 1357 Fanshawe Street, Philadelphia, Pa. I am employed in a kosher catering service in the city of Philadelphia.

The CHAIRMAN. Mr. Goldberg, have you discussed your testimony with members of the staff?

Mr. GOLDBERG. I did and I didn't.

The CHAIRMAN. You did and you did not? Did you discuss it enough so that you have some general idea of the questions that may be asked you?

Mr. GOLDBERG. Definitely not.

The CHAIRMAN. I beg your pardon?

Mr. GOLDBERG. No, sir.

The CHAIRMAN. You have a right to have counsel. Have you arranged for counsel to be present while you testify?

Mr. GOLDBERG. I have no counsel and I don't intend to have any.

The CHAIRMAN. Then you waive counsel.

Mr. Kennedy, you may proceed.

Mr. KENNEDY. Just to clear up the record, we requested permission to talk to you; isn't that right, Mr. Goldberg?

Mr. GOLDBERG. That is right, sir.

Mr. KENNEDY. And you declined?

Mr. GOLDBERG. That is right.

Mr. KENNEDY. Mr. Goldberg, you knew Mr. Johnny Dioguardi?

Mr. GOLDBERG. Yes, sir; I did.

Mr. KENNEDY. Your name, or a Mr. Abraham Goldberg's name, appears on the first charter of local 102. Are you one and the same Mr. Abraham Goldberg as the name that appears on here?

Mr. GOLDBERG. That I don't know.

Mr. KENNEDY. Did you stipulate that your name could be used on the application for the charter for local 102?

Mr. GOLDBERG. No; I did not.

Mr. KENNEDY. Did you know that your name had been used?

Mr. GOLDBERG. No; I did not.

Mr. KENNEDY. Did you know Mr. Johnny Dioguardi in September 1950?

Mr. GOLDBERG. No, sir; I did not.

Mr. KENNEDY. Did you know Mr. Sam Zakman?

Mr. GOLDBERG. At that time I did not.

Mr. KENNEDY. Did you know Mr. Sam Berger?

Mr. GOLDBERG. Yes, sir; I did.

Mr. KENNEDY. Did you know Mr. Anthony Doria at that time?

Mr. GOLDBERG. I knew of him through the labor movement; yes, sir.

Mr. KENNEDY. Did you know him personally at that time?

Mr. GOLDBERG. Personally, I did not.

Mr. KENNEDY. Did you have any information that Mr. Berger was going to use your name on the application for the charter for local 102?

Mr. GOLDBERG. I don't know whether he used my name or not. I don't know whether that was me or not.

Mr. KENNEDY. I understand that. But did you have any information, did he let you know or did anyone else tell you, that your name was going to be used on the application for the charter for local 102?

Mr. GOLDBERG. No, sir.

Mr. KENNEDY. Prior to this, prior to September 1950, you had been living in Philadelphia, Pa.?

Mr. GOLDBERG. Yes, sir.

Mr. KENNEDY. Had you been associated with any labor unions prior to September 1950?

Mr. GOLDBERG. Yes, sir.

Mr. KENNEDY. What labor union?

Mr. GOLDBERG. International Brotherhood of Teamsters, Local 929.

Mr. KENNEDY. Were you an official in that union?

Mr. GOLDBERG. Yes, sir; I was.

Mr. KENNEDY. What position did you hold?

Mr. GOLDBERG. I was secretary-treasurer and business manager.

Mr. KENNEDY. During what period of time?

Mr. GOLDBERG. From 1941 up until 1948.

Mr. KENNEDY. And you left in 1948?

Mr. GOLDBERG. Yes, sir.

Mr. KENNEDY. Did you resign in 1948?

Mr. GOLDBERG. No, sir; I did not. I resigned in 1949.

Mr. KENNEDY. You resigned in 1949?

Mr. GOLDBERG. That is right.

Mr. KENNEDY. What month in 1949?

Mr. GOLDBERG. I believe it was March 10, 1949.

Mr. KENNEDY. What brought about your resignation?

Mr. GOLDBERG. It was a voluntary resignation, based on the fact that it was the outcrop of an indictment under the Hobbs Act for which I was convicted.

Mr. KENNEDY. That is the Hobbs Antiracketeering Act?

Mr. GOLDBERG. Yes, sir.

Mr. KENNEDY. Was the indictment that you had conspired with—you, as a union official had conspired—with some individuals from an employer association to keep independent fruit shippers out of the city of Philadelphia?

Mr. GOLDBERG. No, sir.

Mr. KENNEDY. What was the indictment?

Mr. GOLDBERG. The indictment was based on a conspiracy that we conspired to fix and set selling hours in the Dock Street area in Philadelphia.

Mr. KENNEDY. Was it also in connection with the fact that you kept certain independent trucks and certain independent fruit shippers from moving their trucks in and out, and, thus, having that fruit perish?

Mr. GOLDBERG. That is not true.

Mr. KENNEDY. That was not mentioned at all?

Mr. GOLDBERG. In the original indictment, it may have been mentioned, but I said it is not true.

Mr. KENNEDY. That never happened?

Mr. GOLDBERG. That never happened.

Mr. KENNEDY. But the original indictment contained that charge; did it?

Mr. GOLDBERG. The original indictment contained the complete charge under the Hobbs Act.

Mr. KENNEDY. You were convicted during what period? 1949?

Mr. GOLDBERG. I would say it was—

Mr. KENNEDY. I think the record shows March 11, 1949. Is that correct.

Mr. GOLDBERG. If the record shows it, that is correct.

Mr. KENNEDY. And you were sentenced to 3 months imprisonment, is that right, which was suspended?

Mr. GOLDBERG. Not to my recollection; no, sir.

Mr. KENNEDY. Is that right?

Mr. GOLDBERG. No, sir. To my recollection, it is not right.

Mr. KENNEDY. You were sentenced to 3 months imprisonment and fined \$2,500, and the imprisonment was suspended and you were placed on probation for 2 years. That probation was actually lifted October 20, 1950. Those are the facts that we have. See if you can correct them.

Mr. GOLDBERG. Well, I won't dispute the facts.

Mr. KENNEDY. I thought you said that is not the way you remember it.

Mr. GOLDBERG. That is right. That is not the way I remember it.

Mr. KENNEDY. How do you remember it?

Mr. GOLDBERG. As I understand it, the sentence of the court was that I could not hold office in my own local union for a period of 2 years, and for that period of 2 years I was to be under probation.

The CHAIRMAN. Was the fine paid?

Mr. GOLDBERG. Yes, sir.

The CHAIRMAN. The fine was paid.

This record that we have here shows that you were placed under 2 years of probation, and the fine was to be paid within 15 days of the sentence. A condition of the probation was that you resign as secretary-treasurer of local 929, and refrain from holding any office in the union for 2 years from the date of the sentence.

That is what you said you remember?

Mr. GOLDBERG. That is correct, sir.

(At this point, Senator Goldwater withdrew from the hearing room.)

The CHAIRMAN. The probation was on that condition.

Mr. GOLDBERG. That is right, sir.

The CHAIRMAN. Therefore, you did not have to serve your jail sentence if you carried out the condition of the probation.

Mr. GOLDBERG. Well, I don't want to go into technicality, but there was never any mention of any jail sentence.

The CHAIRMAN. You never heard that mentioned?

Mr. GOLDBERG. No, sir.

The CHAIRMAN. The sentence, according to the official records, of which we have a copy, starts off "Imprisonment for 3 months with a fine of \$2,500."

Mr. GOLDBERG. Well, I won't dispute the facts.

The CHAIRMAN. It is not important other than you said you did not think this was correct. I am just reading from the record.

All right, Mr. Kennedy.

Mr. KENNEDY. You were not supposed to be in the labor-union movement for a period of 2 years; is that true? Is that the probation?

Mr. GOLDBERG. No; that is not true.

Mr. KENNEDY. Just to hold office?

Mr. GOLDBERG. In my own local union.

Mr. KENNEDY. In your own local union?

Mr. GOLDBERG. That is right.

Mr. KENNEDY. Subsequently, did you meet Mr. Johnny Dioguardi in the year 1950?

Mr. GOLDBERG. I would say subsequently I met him, but whether it was 1950 or not, I just can't remember.

Mr. KENNEDY. Did you join local 102, UAW?

Mr. GOLDBERG. I was never a member of local 102.

Mr. KENNEDY. Did you do any work for local 102?

Mr. GOLDBERG. If you are speaking about Local 102 Taxicab Drivers Union; yes, sir, I did.

Mr. KENNEDY. Of the UAW-AFL?

Mr. GOLDBERG. Yes, sir.

Mr. KENNEDY. You did do some work for them?

Mr. GOLDBERG. That is right.

Mr. KENNEDY. You did some work for them in connection with the taxicab drive?

Mr. GOLDBERG. Yes, sir.

Mr. KENNEDY. That was up in New York City?

Mr. GOLDBERG. Yes, sir.

Mr. KENNEDY. Who suggested that you come to New York City and work for local 102?

Mr. GOLDBERG. I applied for that position on my own.

Mr. KENNEDY. Through whom did you apply?

Mr. GOLDBERG. I applied to Mr. Anthony Doria, general secretary-treasurer of the United Automobile Workers.

Mr. KENNEDY. From whom did you hear that this position was open and available?

Mr. GOLDBERG. It was general knowledge. I didn't have to hear it from anyone, in particular, other than it was generally known that

they were organizing or attempting to organize the cabdrivers in New York.

Mr. KENNEDY. Did you hear that from Mr. Sam Berger?

Mr. GOLDBERG. I could have; yes, sir.

Mr. KENNEDY. Did you talk to Mr. Berger about it?

Mr. GOLDBERG. I may have talked to Mr. Berger about it.

Mr. KENNEDY. Did he, in turn, suggest that you contact Mr. Doria?

Mr. GOLDBERG. Well, maybe during our conversations he did, I don't know. I just actually don't remember.

Mr. KENNEDY. You contacted Mr. Doria and he recommended you for this position with local 102?

Mr. GOLDBERG. As international representative; yes, sir.

Mr. KENNEDY. As international representative?

Mr. GOLDBERG. Yes, sir.

Mr. KENNEDY. Was that based on your career with you labor union down in Philadelphia?

Mr. GOLDBERG. I would say it was based on my experience in organizing in the labor movement.

Mr. KENNEDY. Your experiences in organizing?

Mr. GOLDBERG. That is right, sir.

Mr. KENNEDY. And you went to work on this taxicab drive?

Mr. GOLDBERG. Yes, sir; I did.

Mr. KENNEDY. And you remained with the taxicab drive for how long a period?

Mr. GOLDBERG. Until its termination.

Mr. KENNEDY. Which was 1953?

Mr. GOLDBERG. If those are the facts, that is how long I remained with them.

Mr. KENNEDY. Was there then a movement to bring you and your organization into the teamsters at that time?

Mr. GOLDBERG. That I have no knowledge of.

Mr. KENNEDY. How did the drive end?

Mr. GOLDBERG. The drive ended—to the best of my knowledge, I was told that the teamsters had claimed jurisdiction and that the jurisdiction was going to be awarded to the teamsters.

Mr. KENNEDY. Was there any discussion at that time about your transferring over into the teamsters, and continue the drive?

Mr. GOLDBERG. I took the position that I wanted no part of transferring over personally to the teamsters.

Mr. KENNEDY. For what reason?

Mr. GOLDBERG. Well, I honestly felt that there was no need or necessity, that we had the cabdrivers organized, and that they would be best served just where they were.

Mr. KENNEDY. Meaning with the UAW?

Mr. GOLDBERG. That is correct, sir.

Mr. KENNEDY. How many taxicab drivers did you have organized by that time?

Mr. GOLDBERG. I would say at that time there were two-hundred-and-eighty-some elections and I guess out of those two-hundred-and-some elections we must have covered over 10,000 cabdrivers in the city of New York.

Mr. KENNEDY. Were they paying dues every month?

They were paying dues, were they not?

Mr. GOLDBERG. Some of them were, and some were not.

Mr. KENNEDY. Can you tell the committee who kept the books and records on the moneys that were paid in?

Mr. GOLDBERG. Well, they had a set of officers of their own, and, of course, officers of that particular local they kept their own books and their own records.

Mr. KENNEDY. Who received the dues that were paid?

Mr. GOLDBERG. The dues have to be received by local 102.

Mr. KENNEDY. Who was the manager of local 102?

Mr. GOLDBERG. Well, I would say the manager of local 102 was headed by a Mr. Sam Smith, and a fellow by the name of Nemo. They had their own president. They, in my opinion, managed their own affairs.

Mr. KENNEDY. Was Mr. Johnny Dio in that union?

Mr. GOLDBERG. Mr. Dio, to the best of my knowledge, was director of that area.

Mr. KENNEDY. He was director of the area?

Mr. GOLDBERG. That is right.

Mr. KENNEDY. And in his official position with that union, did he not have the title of manager of the union?

Mr. GOLDBERG. I assume that—that the operation of 102 was subject to Mr. Dio, yes.

Mr. KENNEDY. How much in dues did you receive each month?

Mr. GOLDBERG. That I have no knowledge of.

Mr. KENNEDY. You were responsible to whom, in your position?

Mr. GOLDBERG. I was responsible to the UAW.

Mr. KENNEDY. The international?

Mr. GOLDBERG. That is right.

Mr. KENNEDY. Did you not keep them advised as to how much dues you were receiving each month, how many members you had?

Mr. GOLDBERG. That was not my job, sir.

Mr. KENNEDY. What were you keeping them advised of?

Mr. GOLDBERG. As to the progress we were making in the organization of the cabdrivers.

Mr. KENNEDY. Wouldn't part of that be how many members you had and how many members were paying dues?

Mr. GOLDBERG. It would be as to how many members we had the right to represent and organize, those who signed authorization cards allowing us to represent them, and those elections that we won before the State labor relations board.

Mr. KENNEDY. It would not also be your responsibility to tell them how much money you were receiving each month?

Mr. GOLDBERG. I was not involved in any of the financial transactions or matters of local 102.

Mr. KENNEDY. After the drive ended, and the jurisdiction was taken over by the teamsters, did you return to Philadelphia?

Mr. GOLDBERG. After a while, I did, yes; I voluntarily left and returned to Philadelphia.

Mr. KENNEDY. Were you requested to stay on in any other local?

Mr. GOLDBERG. Well, I was told that I could stay on if I wanted to, in the city of New York.

Mr. KENNEDY. Who told you that?

Mr. GOLDBERG. Mr. Doria.

Mr. KENNEDY. In what capacity?

Mr. GOLDBERG. As an organizer.

Mr. KENNEDY. And you turned that down?

Mr. GOLDBERG. I turned it down.

Mr. KENNEDY. For what reason?

Mr. GOLDBERG. Well, more or less for personal reasons. First of all, I was commuting between Philadelphia and New York, and I was terribly disappointed that after making such a successful attempt, for the first time in the history of our country, I would say, and in the history of New York, the cabdrivers had an opportunity to become organized, it was destroyed. And that completely disillusioned me, and I went back to Philadelphia.

Mr. KENNEDY. What is your explanation as to why it was destroyed?

Mr. GOLDBERG. Well, I would have to guess, and I don't think guessing is the proper thing to do before this committee.

Mr. KENNEDY. I just don't want you to guess, but if you have some conclusion that is based on fact, a fact that you know, then the committee would be interested in that.

Mr. GOLDBERG. Would you repeat that question again, please?

Mr. KENNEDY. I am trying to find out what your explanation is, or what conclusion you reached, as to why the drive on the taxicabs that was made by your union collapsed or ended.

Mr. GOLDBERG. Well, I personally believe that Mr. Hickey, in New York, who was international representative of the teamsters, and Mr. Meany, of the American Federation of Labor, thought that the full organization of the cabdrivers in New York, which may have exceeded over 50,000 drivers, would place the UAW in too powerful a position as one local unit in the city of Philadelphia, and for that reason, they destroyed it.

Mr. KENNEDY. Mr. Hickey himself, if he wanted to get jurisdiction, or wanted this drive, he could make it as an official of the teamsters; could he not?

Mr. GOLDBERG. That was a matter of opinion.

Mr. KENNEDY. You felt that the UAW-AFL could do it, while the teamsters under Mr. Hickey could not?

Mr. GOLDBERG. We done it while nobody else could have done it.

Mr. KENNEDY. Do you mean that you had 10,000 members?

Mr. GOLDBERG. We done it. I say to you in all sincerity, we had the cabdrivers in the city of New York organized. We won some 280 elections. We went before the State board and every other board. We had a newspaper, of which I was editor, which had the full support of every cab driver in the city of New York. I say to you that those individuals deprived the cabdrivers in the city of New York, for the first time in their life, from representation under the banner of organized labor, and they destroyed it.

Mr. KENNEDY. What was Mr. Dio doing during this period of time? Was he directing the drive on the taxicabs?

Mr. GOLDBERG. I was directing the drive of the taxicabs, and I was its organizer.

Mr. KENNEDY. Was he taking instructions from you, or what?

Mr. GOLDBERG. I will say to you from the time that I walked into that office, I was not interfered with at all in the organization of the cabdrivers in the city of New York.

Mr. KENNEDY. What was he doing? What was Mr. Dio's position in all of this?

Mr. GOLDBERG. Mr. Dio was director, representing the UAW in New York.

Mr. KENNEDY. So he was also director of what your operation consisted of, is that right?

Mr. GOLDBERG. I kept him acquainted with our progress; yes, I did.

Mr. KENNEDY. Well, he was director of your operations as he was director of the rest of the operations in New York City.

Mr. GOLDBERG. My understanding in coming to New York City was that I was not to be interfered with. I came there with one specific job and that was to organize the cabdrivers.

The CHAIRMAN. The question was: Was he your superior insofar as authority in the union?

He would be, I assume.

Mr. GOLDBERG. I would say I was answerable to Mr. Dio, but he never interfered with me at any time.

The CHAIRMAN. You were answerable to him and, therefore, he was your superior, although he gave you free rein and let you organize and direct the organizing drive.

Mr. GOLDBERG. That is right, sir.

Mr. KENNEDY. You say that you came up there originally in approximately 1950 or maybe 1951, based on the request of Mr. Anthony Doria, of the international?

Mr. GOLDBERG. That is right.

Mr. KENNEDY. That is all, Mr. Chairman.

The CHAIRMAN. Is there anything further?

Senator CURTIS. Who did you say destroyed the organization of taxicab drivers?

Mr. GOLDBERG. I will repeat again. In my opinion, the destruction, the opportunities taken away from the cabdrivers in my personal opinion, was by Mr. Meany of the American Federation of Labor and Mr. Tom Hickey of the International Brotherhood of Teamsters.

Senator CURTIS. I do not mean to argue with you, but I would like this information: Why was it to their advantage to pursue such a course?

Mr. GOLDBERG. I could only answer that this way, sir, that the obvious was very evident, because after the jurisdiction was transferred, there was no future organization of the cabdrivers any more and no more attempt was made to organize them.

Senator CURTIS. What did Mr. Hickey and Mr. Meany gain by that?

Mr. GOLDBERG. That is anybody's guess and I am not in a position to guess.

Senator CURTIS. That is all, Mr. Chairman.

The CHAIRMAN. What happened to the union that was organized? You had it organized. Was it transferred over to the teamsters?

Mr. GOLDBERG. I was given to understand that the certifications from the State labor relations board for the elections and everything else, materials and what have you, were transferred over to Mr. Tom Hickey of the teamsters union.

The CHAIRMAN. And, thereafter, nothing was done?

Mr. GOLDBERG. And thereafter, nothing.

The CHAIRMAN. What happened to those that had already been organized?

Mr. GOLDBERG. That I don't know, sir.

The CHAIRMAN. In other words, you had 10,000 of them organized; they were in some kind of an organization. If the teamsters took it over, they took over, it would seem, some sort of organization.

I wonder if they abandoned them. They might not have continued a drive, but they had a union; they had an organization of cabdrivers. Did they dissolve it and quit collecting dues, or what happened to those?

Mr. GOLDBERG. Sir, I don't know. I left New York and washed my hands of it.

The CHAIRMAN. You do not know?

Mr. GOLDBERG. That I don't know.

Senator IVES. You do know this, do you not, that there is no cabdrivers' union in New York today?

Mr. GOLDBERG. To the best of my knowledge, you are right, sir, there is not.

Mr. KENNEDY. I might say, Mr. Goldberg, as director of organization, perhaps you know exact figures, the figures we have received as to the number of taxicab drivers that were organized is not nearly as high as yours, or the number of elections that were won.

At the same time that you were directing organizational work for the taxicab drivers in New York City, did you have a local of your own?

Mr. GOLDBERG. No, sir; I did not.

Mr. KENNEDY. Did you apply for a local to the UAW in Philadelphia?

Mr. GOLDBERG. No, sir; I did not at that time, no, sir.

Mr. KENNEDY. Was there a time in 1951 that you applied for a charter in Philadelphia?

Mr. GOLDBERG. Yes, sir before I came on to New York.

Mr. KENNEDY. Before you came to New York?

Mr. GOLDBERG. That is right.

Mr. KENNEDY. Did you receive that charter?

Mr. GOLDBERG. Yes, sir, I did.

Mr. KENNEDY. Was that charter granted through Mr. Johnny Dioguardi in New York City?

Mr. GOLDBERG. No, sir, it was not.

Mr. KENNEDY. That local charter was for what number?

Mr. GOLDBERG. Offhand I don't remember.

Mr. KENNEDY. 138, Philadelphia?

Mr. GOLDBERG. I believe you are right.

Mr. KENNEDY. Did it ever get any members?

Mr. GOLDBERG. I did not get enough for us to continue and so the thing was disbanded completely.

Mr. KENNEDY. Did the local vote in the international elections?

Mr. GOLDBERG. No, sir, it did not.

Mr. KENNEDY. It did not. That was local 138.

Are you familiar with local 225?

Mr. GOLDBERG. No, I am not.

Mr. KENNEDY. That was also a UAW-AFL charter in Philadelphia?

Mr. GOLDBERG. That you will have to refresh my memory on.

Mr. KENNEDY. You do not remember that at all? It succeeded local 138.

Mr. GOLDBERG. If it succeeded 138, I know nothing about it.

The CHAIRMAN. To refresh your memory, I will ask you if you did not receive your charter in Philadelphia through Mr. Dioguardi?

Mr. GOLDBERG. I may have been forwarded a charter from Mr. Dioguardi. I did not get it through Mr. Dioguardi.

I don't want to stand on technicalities, but the charter came to me from the international union.

The CHAIRMAN. I am sure it comes from the international union. The charter was issued in the name of the international union. But my information is that it was secured, through Mr. Dioguardi, actually secured.

Mr. GOLDBERG. As I understood, as I was subsequently given to understand, as director of the area which Mr. Dioguardi was director of, all charters had to be presented through him anyway.

The CHAIRMAN. That would come through him because he was director. I think that is correct. The charter is actually issued, of course, by the international union, but his having been director in that area, he had to approve it.

Mr. GOLDBERG. Well, I don't know whether that is so or not.

The CHAIRMAN. It is hard to find out what is true with some of these operations.

Mr. KENNEDY. Were you also an officer in local 649?

Mr. GOLDBERG. No, sir, I was not.

Mr. KENNEDY. You were not vice president?

Mr. GOLDBERG. No, sir, I was not.

Mr. KENNEDY. Do you know another Abraham Goldberg in New York City, that was vice president of local 649?

Mr. GOLDBERG. The only Abraham Goldberg I know is myself.

The CHAIRMAN. I have before me a photostatic copy of, "Labor Organization Registration Form," filed with the Labor Department here in Washington. I will show it to you so you may see it.

This shows that Johnny Dioguardi was president, and Abraham Goldberg was vice president, Joe Curcio was secretary-treasurer of local 649, United Automobile Workers, AFL.

Did you ever hold any office in that union? You may examine this photostatic copy which I present to you.

(The document was handed to the witness.)

Mr. KENNEDY. Mr. Chairman, you may also notice in there that it says he was elected.

The CHAIRMAN. It also certifies that you were elected vice president.

Mr. GOLDBERG. I will not argue with this document. If this document says so, then I was an officer.

The CHAIRMAN. Did you ever know before you were an officer in that local?

Mr. GOLDBERG. I can only answer it, Mr. Chairman, that I would not argue with that document.

The CHAIRMAN. It is not a question of arguing. I am not arguing either. The document shows that you were. You may not have been. You may have been and not know it.

Did you know it? Did you ever hear of it before?

Mr. GOLDBERG. Again, I can only repeat this, that the facts stipulate that my name is on that, and I will substantiate that that is my name.

The CHAIRMAN. You substantiate that is your name. That does not answer the question. I will ask you if you ever knew before that you were an officer in that union, in that local.

If you had gotten elected vice president of a local as reported in that, it seems to me that that would be something you would remember and be grateful for. You do not know anything about it, do you? You do not even remember it?

Mr. GOLDBERG. Again I repeat and I—

The CHAIRMAN. I am not asking you to repeat. I am asking you if you remember it, if you have any knowledge of it. You know whether you have or not.

Mr. GOLDBERG. I don't remember it.

The CHAIRMAN. You do not remember.

Is there anything further?

Mr. KENNEDY. Once again, Mr. Chairman, we have a situation where there is a person appearing as an officer of a local who does not know that he was an officer and it stipulates that he was elected and he does not know that he was elected.

This is a document that is filed with the Government.

The CHAIRMAN. I may say this for the information of the witness: These reports are required to be filed by law. It is the belief of this committee that the law intended that honest reports be filed, and accurate reports.

We are very much concerned that the intent and spirit of the law is not being observed in some instances. It may be necessary to enact remedial legislation to make certain that we do get, that the Government does get, accurate and truthful reports where the law requires them.

Otherwise, there maybe should be some penalty imposed for these false reports. You have been helpful in saying that you do not remember it. I am very confident that if you had known anything about it or had ever known anything about it, certainly if you had been elected to an important position in a local as large as that local, you would have remembered it.

It indicates that the affairs of some unions and some locals are simply manipulated by some people who apparently, from the evidence here, are unworthy to hold those positions.

Can you throw any further light on this after I have made that comment?

Mr. GOLDBERG. Mr. Senator, no, sir, I cannot.

The CHAIRMAN. Thank you.

Mr. KENNEDY. Mr. Chairman, could we have the document on the local down in Philadelphia, of which Mr. Goldberg was president, made a part of the record and, also, this Government document filed by local 649?

The CHAIRMAN. I do not know whether the witness can identify this document.

I hand you here what purports to be a photostatic copy of a letter from Mr. John Dioguardi, president, addressed to Anthony Doria, secretary-treasurer, United Automobile Workers, AFL, dated November 10, 1951, in which he refers to you as president of the charter being granted in Philadelphia.

Will you examine the document and state if you identify it?

(A document was handed to the witness.)

Mr. GOLDBERG. I cannot identify the document.

Mr. KENNEDY. We have a staff investigator who can identify this. (Present at this point were Senators McClellan, Ives, and Curtis.)

The CHAIRMAN. Be sworn, please, Mr. Tierney.

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. TIERNEY. I do.

TESTIMONY OF PAUL J. TIERNEY

The CHAIRMAN. State your name, place of residence, and your present employment.

Mr. TIERNEY. Paul Tierney, assistant counsel to the select committee.

The CHAIRMAN. I hand you a document and I ask you if you can identify it, and if so, where and how it was procured.

Look at this other one first. I will hand you the two documents. Look at the letter, first, that I interrogated the previous witness about.

(The documents were handed to the witness.)

Mr. TIERNEY. Mr. Chairman, this is a letter from UAW Amalgamated Union Local 102, dated November 10, 1951, signed by Johnny Dioguardi, president, to Mr. Anthony Doria, secretary-treasurer of the United Automobile Workers, AFL.

This was obtained from the international's files in Los Angeles.

The CHAIRMAN. Obtained by our staff from the international's files, the files of the international union?

Mr. TIERNEY. That is right.

The CHAIRMAN. The letter may be made exhibit No. 5.

(The document referred to was marked "Exhibit No. 5" for reference, and will be found in the appendix on p. 3973.)

The CHAIRMAN. I do not believe it needs to be printed in the record. It may be made an exhibit for reference.

Now, you have the other document. Will you examine that and state if you identify it?

Mr. TIERNEY. Yes, sir, Mr. Chairman. This is a labor organization registration form, filed by local 649, United Automobile Workers, AFL, on March 18, 1953, signed by John Dioguardi, president. This was obtained by the staff from the Department of Labor.

The CHAIRMAN. All right. That may be made exhibit No. 6 for reference.

(The document referred to was marked "Exhibit No. 6" for reference and will be found in the appendix on pp. 3974-3975.)

The CHAIRMAN. Are there any questions about these documents, Mr. Kennedy?

Senator CURTIS. With reference to exhibit No. 6, is that a form prescribed by the Department of Labor, do you know?

Mr. TIERNEY. Yes, it is.

Senator CURTIS. Does it call for a witnessing of the signature of the president or officer submitting it?

Mr. TIERNEY. No, it does not.

Senator CURTIS. It does not have to be notarized?

Mr. TIERNEY. No, it does not.

Senator CURTIS. That is all.

The CHAIRMAN. I may say to the Senator that in our preliminary investigation in examining the Secretary of Labor in an executive session by the subcommittee, before we started these proceedings, their interpretation of the law is that it does not have to be accurate, it does not have to be correct.

Senator CURTIS. I asked my few questions on the premise that it might be that there should be some changes in the law in reference to the form of these reports as a protection to the public and to the people who are filing accurate reports.

The CHAIRMAN. I cannot understand why the Congress in enacting a law requiring someone to file a report, did not carry a forceful implication that you expected an accurate and truthful report. That is not the interpretation some people are giving it.

Is there anything further?

Mr. KENNEDY. We have one other witness, Mr. Chairman.

The CHAIRMAN. Thank you very much, sir.

You may stand aside.

(Present at this point in the proceedings: Senators McClellan, Ives, and Curtis.)

Mr. KENNEDY. Mr. Gasster.

The CHAIRMAN. Mr. Gasster, will you be sworn, please?

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. GASSTER. I do.

TESTIMONY OF HENRY GASSTER

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. GASSTER. Henry Gasster, Rego Park, N. Y. I am unemployed at present.

The CHAIRMAN. You are what?

Mr. GASSTER. I am unemployed at present.

The CHAIRMAN. Unemployed at present.

Have you talked to members of the staff of the committee?

Mr. GASSTER. Yes, sir.

The CHAIRMAN. You know, then, generally, the line of questions to expect, I assume?

Mr. GASSTER. Well, I don't know.

The CHAIRMAN. Do you know you have a right to have counsel present to represent you if you desire?

Mr. GASSTER. Yes, sir.

The CHAIRMAN. Do you waive counsel?

Mr. GASSTER. Yes, sir.

The CHAIRMAN. Mr. Kennedy, you may proceed.

Mr. KENNEDY. Mr. Gasster, you have been in the labor-union movement? You have been an official of a labor union; have you not?

Mr. GASSTER. Yes, sir.

Mr. KENNEDY. Of various, different locals, or of just one?

Mr. GASSTER. Well, one prior to the one in question.

Mr. KENNEDY. What union were you in prior to the one in question?

Mr. GASSTER. Federal Labor Union 21908.

Mr. KENNEDY. What position did you hold in that?

Mr. GASSTER. Organizer and vice president.

Mr. KENNEDY. Let me go back to a little bit of your background. You came from New York originally?

Mr. GASSTER. Yes, sir.

Mr. KENNEDY. You have always been from New York?

Mr. GASSTER. Yes, sir.

Mr. KENNEDY. You went to school there?

Mr. GASSTER. Yes, sir.

Mr. KENNEDY. Through what grade?

Mr. GASSTER. A couple of years of high school.

Mr. KENNEDY. Then what did you do? You went to work in New York City?

Mr. GASSTER. I went to work.

Mr. KENNEDY. Excuse me?

Mr. GASSTER. I worked.

Mr. KENNEDY. At what?

Mr. GASSTER. At various things. Trades.

Mr. KENNEDY. Such as what?

Mr. GASSTER. Well, I was a taxi driver. I had concessions in the mountains. I worked as a counterman. I was a steward in a club.

Mr. KENNEDY. When did you have an interest in being an officer or official in a labor union?

Mr. GASSTER. 1940.

Mr. KENNEDY. That is when you took over and became an officer in this local that you just mentioned?

Mr. GASSTER. Yes, sir.

Mr. KENNEDY. And you remained in that position until when?

Mr. GASSTER. 1950, outside of the time I spent in the Army.

Mr. KENNEDY. For what reason did you leave your local at that time?

Mr. GASSTER. Well, I was a little bit dissatisfied with my coworkers.

Mr. KENNEDY. In 1952 or 1953, you received a charter from the UAW-AFL.

Mr. GASSTER. I did.

Mr. KENNEDY. At that time, your wife was working for Mr. Johnny Dio, is that right?

Mr. GASSTER. Yes, sir.

Mr. KENNEDY. She was the secretary for Mr. Dio?

Mr. GASSTER. Yes, sir.

Mr. KENNEDY. You applied for a charter from the international?

Mr. GASSTER. From Mr. Doria.

Mr. KENNEDY. From Mr. Anthony Doria?

Mr. GASSTER. Yes, sir.

Mr. KENNEDY. Had you known Mr. Doria?

Mr. GASSTER. I was introduced to him.

Mr. KENNEDY. Who introduced you to him?

Mr. GASSTER. I can't recall who it was.

Mr. KENNEDY. Did Mr. Dio introduce you to him?

Mr. GASSTER. No, sir. I never met Mr. Dio.

Mr. KENNEDY. You never met him?

Mr. GASSTER. No, sir.

MR. KENNEDY. You don't know who introduced you to Mr. Doria?

MR. GASSTER. No, sir.

MR. KENNEDY. You applied for a charter?

MR. GASSTER. I did.

MR. KENNEDY. And he sent you a charter?

MR. GASSTER. He told me to send him a letter stating my qualifications.

The CHAIRMAN. Did you make your application through Dioguardi?

MR. GASSTER. What was that?

The CHAIRMAN. Did you make your application for a charter through Dioguardi?

MR. GASSTER. No, sir.

The CHAIRMAN. Sir?

MR. GASSTER. No, sir.

The CHAIRMAN. Do you know he got into possession of it?

MR. GASSTER. No, sir.

The CHAIRMAN. I hand you here a photostatic copy of the application, together with photostatic copy of a letter purported to be signed by John Dioguardi, addressed to Mr. Anthony Doria.

I will ask you to examine these documents and see if you identify them.

(Documents were handed to the witness.)

The CHAIRMAN. Examine first the application for a charter and see if that is a photostatic copy of the application that you filed.

MR. GASSTER. I never seen this letter before.

The CHAIRMAN. I am not talking about the letter at the moment. I am talking about the application.

MR. GASSTER. The application? Yes, sir.

The CHAIRMAN. The application is a photostatic copy of the application you filed?

MR. GASSTER. Yes, sir.

The CHAIRMAN. Now read the letter.

MR. GASSTER. I did read it, sir.

The CHAIRMAN. The application may be made exhibit No. 7.

(The document referred to was marked "Exhibit No. 7" for reference and will be found in the appendix on p. 3976.)

The CHAIRMAN. Have you read the letter?

MR. GASSTER. Yes, sir.

The CHAIRMAN. The letter is from John Dioguardi, is it?

MR. GASSTER. Yes, sir.

The CHAIRMAN. And it is to Anthony Doria?

MR. GASSTER. Anthony Doria.

The CHAIRMAN. Does not the letter say he is transmitting your application?

MR. GASSTER. Yes, sir.

The CHAIRMAN. Then the application did go through John Dioguardi; did it not?

MR. GASSTER. Not to my knowledge.

The CHAIRMAN. According to the letter, it did.

MR. GASSTER. According to the letter, it did.

The CHAIRMAN. Do you know how he came into possession of your application, if you were handling the matter directly with Doria?

Mr. GASSTER. The original letter I sent Mr. Doria, my original letter, stating my qualifications. He, in turn, sent me applications.

The CHAIRMAN. Sent you the application blanks?

Mr. GASSTER. The blanks. I filled them out. I really don't recall how he got them.

The CHAIRMAN. You do not recall how Dioguardi got them?

Mr. GASSTER. No, sir.

The CHAIRMAN. Obviously, he had something to do with it, in view of that letter from him.

TESTIMONY OF PAUL J. TIERNEY—Resumed

(Present at this point in the proceedings: Senators McClellan, Ives, and Curtis.)

The CHAIRMAN. May I ask Mr. Tierney this question:

Was that letter found in the files?

Mr. TIERNEY. Yes.

The CHAIRMAN. Let the record show that I directed that question to Mr. Tierney, and he answered that this copy of this letter was found in the files of the international union.

That letter may be made exhibit No. 7-A.

TESTIMONY OF HENRY GASSTER—Resumed

(Present at this point in the proceedings: Senators McClellan, Ives, and Curtis.)

Mr. KENNEDY. You received the charter, did you not?

Mr. GASSTER. Yes, sir.

(Letter referred to was marked "Exhibit No. 7-A" and follows.)

Mr. KENNEDY (reading). This is January 5, 1953, addressed to Mr. Anthony Doria, United Automobile Workers of America, 429 West Michigan Street, Milwaukee 3, Wis.

DEAR TONY: Enclosed please find application for charter to be issued in the metropolitan area. I have investigated the people involved, and find that they have an excellent labor background. As per your instructions, I emphasized the necessity for proper per capita tax payments, furnishing copies of all labor-management agreements to the international, and making themselves available at all times for instructions, and check by the international regarding their records and activities.

Mr. Gasster and his fellow officers agree to the terms and conditions of the international.

I will appreciate your immediate action in the issuance of this charter, as I am convinced that this union will be an asset to the international and to the labor movement.

Fraternally yours,

It is signed by John Dioguardi.

You received that charter, did you?

Mr. GASSTER. Yes, sir.

Mr. KENNEDY. And local 198 went into existence?

Mr. GASSTER. Yes, sir.

Mr. KENNEDY. How long were you in existence?

Mr. GASSTER. Less than a month.

Mr. KENNEDY. You were arrested for extortion?

Mr. GASSTER. That is a bad word.

Mr. KENNEDY. You were arrested?

Mr. GASSTER. Anybody can be arrested.

Mr. KENNEDY. I understand that. But you and Mr. Cohen were arrested for extortion?

Mr. GASSTER. Yes, sir.

Mr. KENNEDY. And you were indicted?

Mr. GASSTER. Yes, sir.

Mr. KENNEDY. And Mr. Cohen was convicted?

Mr. GASSTER. Yes, sir.

Mr. KENNEDY. And Mr. Cohen then refused to testify against you?

Mr. GASSTER. He did testify.

Mr. KENNEDY. But he refused to testify——

Mr. GASSTER. That I was——

Mr. KENNEDY. Let me ask you this: Did he not refuse to testify, and told the district attorney that his wife had been threatened, and he refused to testify?

Mr. GASSTER. Not to my knowledge.

Mr. KENNEDY. You are not familiar with that?

Mr. GASSTER. Not to my knowledge.

Mr. KENNEDY. You are familiar with the fact that he refused to testify in your case?

Mr. GASSTER. No. We were offered a plea to a lesser offense. I refused to take it. In fact, I was not there at the time of the so-called extortion. I don't know nothing about it. I wasn't present.

Mr. KENNEDY. I understand the facts as they came out at the trial were that you and Mr. Cohen went up there and had this conversation with the gentleman who owned the store, and then Mr. Cohen came back. At that time, according to the people that owned the store, you asked for some money. Mr. Cohen came back to pick up the money 3 days later and he was arrested. You were downstairs and he was arrested.

Mr. GASSTER. That isn't so.

Mr. KENNEDY. Were you downstairs?

Mr. GASSTER. I was in the neighborhood, yes.

Mr. KENNEDY. Were you arrested?

Mr. GASSTER. I was arrested.

Mr. KENNEDY. Was he arrested?

Mr. GASSTER. He was arrested.

Senator CURTIS. Was he convicted?

Mr. GASSTER. He pleaded guilty.

Senator CURTIS. You stood trial?

Mr. GASSTER. Yes, sir.

Senator CURTIS. And you were found not guilty?

Mr. GASSTER. Yes, sir.

Senator CURTIS. That was the end of it?

Mr. GASSTER. That was the end of it. That was the end of my career in labor.

Senator CURTIS. How many members did you recruit during that time?

Mr. GASSTER. We didn't recruit any. We were just going out organizing.

Senator CURTIS. That is all.

Mr. KENNEDY. I don't know if this is true or not, Mr. Gasster, but I note in the file on this case from the district attorney's office that it says,

Gasster was tried on March 8, 1955, and on oral motion of Assistant District Attorney Blustein, the indictment was dismissed. Cohen wouldn't testify against him. A note in the file says, "his wife is dying."—

meaning Cohen's—

"and that he is afraid of testifying because the codefendant threatened against him."

You say that is not true, that you did not threaten him?

Mr. GASSTER. I did not.

Mr. KENNEDY. Were you a commission agent at that time?

Mr. GASSTER. No, sir.

Mr. KENNEDY. Are you a commission agent now?

Mr. GASSTER. Occasionally.

Mr. KENNEDY. Occasionally?

Mr. GASSTER. Yes.

Mr. KENNEDY. That is your source of income now?

Mr. GASSTER. Well, I—

Mr. KENNEDY. That is all right. I am not going to go into it.

Mr. GASSTER. It is just as well; yes, sir.

Mr. KENNEDY. Your wife's source of income up until the time Dio was arrested was as his secretary; is that right?

Mr. GASSTER. Yes, sir.

The CHAIRMAN. Is there anything further?

Mr. GASSTER. In fact, my wife quit the job the day I was arrested.

The CHAIRMAN. Is there anything else?

Mr. KENNEDY. That is all, Mr. Chairman.

The CHAIRMAN. You may stand aside for a moment.

Mr. Ray, come forward, please.

(Present at this point were: Senator McClellan, Ives, and Curtis.)

TESTIMONY OF THEODORE RAY—Resumed

The CHAIRMAN. Mr. Ray, the Chair is considering recalling you for further testimony. If I excuse you today, it might be necessary to resubpena, unless I place you under what is known as recognizance to reappear upon notice.

Will you give us your address?

Mr. RAY. You have it.

The CHAIRMAN. Then we will know where to reach you.

Mr. RAY. You have it.

The CHAIRMAN. I beg your pardon.

Mr. RAY. You have the address. You sent me a telegram. You sent somebody to the house.

The CHAIRMAN. I want you to agree before the committee that upon reasonable notice for a time for you to appear—

Mr. RAY. Give me a definite date. You give one date then another date. I don't know if I am coming or going.

The CHAIRMAN. We will get you going both ways.

Mr. RAY. That's all right.

The CHAIRMAN. The question is, I want you to agree and the record will so show, that upon reasonable notice to appear again—

Mr. RAY. It is agreed.

The CHAIRMAN. Before the committee, that you will do so.

Mr. RAY. It is agreed.

The CHAIRMAN. All right. You may be excused until further notice.

The committee stands in recess until 10 o'clock in the morning.

(Present at the taking of the recess were: Senators McClellan, Ives, and Curtis.)

(Whereupon, at 4:15 p. m., the hearing in the above entitled matter was recessed, to reconvene at 10 a. m., of the following day.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

FRIDAY, AUGUST 2, 1957

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee met at 10 a. m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Irving M. Ives, Republican, New York; Senator John F. Kennedy, Democrat, Massachusetts; Senator Pat McNamara, Democrat, Michigan; Senator Karl E. Mundt, Republican, South Dakota; Senator Barry Goldwater, Republican, Arizona; Senator Carl T. Curtis, Republican, Nebraska.

Also present: Robert F. Kennedy, chief counsel; Jerome S. Adlerman, chief assistant counsel; Paul J. Tierney, assistant counsel; Robert E. Dunne, assistant counsel; Ruth Young Watt, chief clerk.

The CHAIRMAN. The committee will be in order.

(Members of the select committee present at the convening of the session: Senators McClellan, Ives, Kennedy, McNamara, and Curtis.)

The CHAIRMAN. Senator Curtis, you have a statement you wish to make?

Senator CURTIS. Thank you, Mr. Chairman.

On yesterday, the distinguished Senator from Massachusetts, Senator Kennedy, raised a question in reference to an inquiry that I made of the witness, Theodore Ray. Senator Kennedy was very proper in raising that question, and I know it was raised in the spirit of friendship and cooperation.

My remarks in the record are made with the same spirit, but I do feel that the record should be clarified a little bit.

I asked the witness, Theodore Ray, "Do you have any friends in the labor movement?" He declined to answer on the grounds of incrimination. I asked this, "Do you know Mr. Hoffa?" and the same refusal. I asked, "Have you ever seen Mr. Hoffa?" and the same refusal.

I asked, "Have you ever discussed any business, labor business or otherwise, with Mr. Hoffa?" and the same refusal. I asked, "Have you ever had any conversations with Mr. Hoffa that would not incriminate you?" and the same refusal.

Then, my next question was, "Have you ever been in any meetings with Mr. Hoffa, the facts concerning which would not incriminate

you?" Before an answer could be given or an objection made, Senator Kennedy, and again I say very properly, and I am not criticizing Senator Kennedy, and I merely want to make the record straight, said:

I must raise some question about this.

I do not know whether it is going to be inferred that this witness has a connection with Mr. Hoffa, but this witness is, from all I gather, a reprehensible citizen.

Because he has taken the fifth amendment as part of his policy, which is part of his constitutional right, I think that we should be careful about asking him questions on which he will take the fifth amendment, using people's names which may give an impression which may or may not be accurate.

I know the Senator is within his rights, but I do think as a matter of committee policy, unless there has been clear evidence linking him to people, we should not, because a witness takes the fifth amendment, permit a conclusion to be drawn that there is necessarily a connection between the two people.

Whereupon, the Chair ruled:

Well, the Chair would say this: If anyone has an idea that possibly there is a connection, he has a right to ask the witness about it.

Now, Mr. Chairman, I would like to have the record show that the chart on my left, the same being chart No. 55, which is already in the record for July 31, was prepared by the staff.

It purports to show a struggle for power in certain unions in New York City. On that chart it shows where Johnny Dio and others entered this labor movement. The record shows that Ray was an associate, sometimes referred to as the chauffeur of Dio.

That chart also shows, and was not prepared by me, but prepared by the staff, that the teamsters union does come into the picture and where one group of unions in a sense failed, the teamsters have their paper unions and they are merged to make a case.

There was before the committee a very definite connection or possibility of a connection between the witnesses Ray and Hoffa. Last evening I asked the committee counsel for a memorandum giving in summary what is known about Theodore Ray's connection with these same unions, and what is known about Hoffa's activity with them. I wish to read that memorandum.

Ray appears as a charter member of Local 102, UAW-AFL, on an application dated September 12, 1950. This was the charter issued to Zakman through Berger. Zakman did not know Ray at that time, and he assumed that Ray was a designee of Sam Berger.

Dioguardi's name first appeared on the second local 102 charter issued some 6 months later. Ray's name does not appear on this charter. However, several people interviewed described Ray as an extremely close confederate of Dio's in the union offices at that time. He has been variously described as his "chauffeur" and as his "bodyguard."

Theodore Ray was a vice president of Local 649, UAW-AFL, as of March 1952, as reflected by the registration form filed with the Department of Labor. It is noted that local 649 was originally chartered in March 1952. It would appear then that Ray was its first vice president.

Johnny Dio stayed with local 649 as its president until September 1954, when he resigned. Precise information of this local, during that period of time, has been difficult to ascertain because of the disappearance of its books and records. However, it is assumed that Ray stayed with the organization until Dio left.

James Hoffa is known to have been a close associate and personal friend of Johnny Dio from at least 1953 until the present time. In 1953 Hoffa did some behind-the-scenes work in an attempt to have the then existing taxi local 102 integrated into the teamster movement.

The seven teamster "paper locals" were chartered in November 1955, at which time Dio was ostensibly out of the labor movement, but still exercised control over the UAW locals from whence came the paper locals.

Testimony will develop that Hoffa endorsed the issuance of these teamster charters to the Dio-controlled locals in New York.

Now, Mr. Chairman, I wanted to put in the record, I wish to again say that this is in no sense intended to be a criticism of Senator Kennedy. He raised a point that the committee should think about, and certainly we should be careful in all of the evidence that we put in.

I felt in this particular case that it would be well to have the record show that we did have ample grounds for inquiring into the acquaintanceship and the connection between Theodore Ray and James Hoffa.

Senator KENNEDY. I appreciate very much what Senator Curtis has said, and the spirit in which he said it. I think obviously, as I said yesterday, that Senator Curtis was within his rights as is any Senator to ask any question he wants.

The only point that I was concerned about was that we had before us, as I said yesterday, one of the most disgraceful citizens in the United States who was under indictment for driving the getaway car at the time of the throwing of the acid into Mr. Riesel's eyes.

At the time that the questions were asked, a clear connection had been brought out between Johnny Dio and this man but not between Mr. Hoffa and this man, although a connection had been brought out between Johnny Dio and Jimmy Hoffa.

Now, the only exception that I took at all to the question was that there was not just 1 question, but there were 6 or 7 all moving around the same area and rather repetitive. We are on television and there is a television audience.

Now, it might be possible for a Senator to ask if the witness knew President Eisenhower and under his fifth amendment procedures he would say, "I will not answer on the ground it may incriminate me."

The television audience looking in might gather the impression that there was some connection, when all it was, was that he felt obliged under the procedures set down for the fifth amendment to continue to give that same answer regardless of who may be brought into the questioning.

Now, I will say, too, Senator Curtis, that you have documented very well the connection between Mr. Dio and this man, and the connection between Mr Hoffa and this man, and certainly your questioning was along the lines of the investigation.

The only reason I brought the question up at all, and perhaps it was not an appropriate time, was that the questions were asked again and again on this same point, driving home a connection between this man and Hoffa, which at that time at least, had not been proved to me, and that was the only reason it was brought up at this point.

Senator CURTIS. I thank the Senator again, and again I say his position was very proper.

Senator McNAMARA. Mr. Chairman, while we are talking about the record of yesterday, we had a witness appear here before us by the name of Lester Washburn. He made some reference to the fact that at the Michigan Federation of Labor Convention, in 1954, Hoffa made some remarks that indicated a close friendship between himself and Dio.

I have secured a copy of the minutes of that 1954 convention, and I have gone through it very carefully, and I have read the speeches, and up to now with a more or less casual looking over the rest of it, I find

no reference to Johnny Dio in any remarks by Jimmy Hoffa. I think that our records should show that.

The CHAIRMAN. If you have the minutes of the meeting, they may be filed as an exhibit for the committee's information.

Senator McNAMARA. I have a copy that was borrowed from the Library of Congress and I have to return it. But I will secure a copy for the records.

The CHAIRMAN. Very well.

All right, Mr. Chief Counsel, Mr. Kennedy, will you call your first witness, or do you wish to make a brief statement outlining testimony.

Mr. KENNEDY. Mr. Chairman, yesterday we had some testimony from witnesses first showing that the man that was retained by Mr. Dio to conduct the taxi drive in New York had just come from Philadelphia, and was brought up from Philadelphia to New York City, and that he had just been convicted of extortion in 1949. He was brought up to New York City by Johnny Dio to conduct the taxicab drive in that city.

After Mr. Dio started his activities, one of the first charters that he issued was a charter to local 198, and within 3 weeks of that charter being granted, Mr. Chairman, the 2 individuals to whom the charter had been granted were arrested for extortion. That was Mr. Gaster's testimony yesterday. He and Mr. Cohen were arrested for extortion within 3 weeks of the time that they obtained the charter for local 198 from Mr. Dio.

In addition, during the same period of time in 1952, Mr. Dio appointed Mr. Topazio and another Mr. Cohen to be the trustee of a local 138. Just before they were to take over that position, they also were arrested for extortion.

So this is the history up until at least 1952 as far as Dio's activities and the activities of those whom he brought into the labor union movement.

Today we are going into, as you pointed out in your original statement on the opening day, the effect of this kind of activity on the community and on the employee and on the industry.

Today we are going to have some witnesses representing the employees, and representing the people that were members of these unions, to find out what the effect has been on them.

The first witness who will give a background of this situation is Mr. John McNiff.

The CHAIRMAN. Mr. McNiff, will you come around, please.

Will you be sworn?

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. McNIFF. I do.

TESTIMONY OF JOHN McNIFF, ACCOMPANIED BY HIS COUNSEL, ROBERT S. PERSKY

The CHAIRMAN. Please state your name, and your place of residence, and your business or occupation.

Mr. McNIFF. My name is John McNiff, and I live at 270 Church Street, in Poughkeepsie, N. Y., and I am presently acting as execu-

tive secretary of the Association of Catholic Trade Unionists, New York chapter, located at 327 Lexington Avenue, New York City.

The CHAIRMAN. Do you have counsel with you to represent you?

Mr. McNIFF. I do.

The CHAIRMAN. Counsel, will you identify yourself for the record.

Mr. PERSKY. I am Robert S. Persky, an attorney practicing with the firm of Luca, Persky & Mozer, at 150 Broadway, New York City, and we are here as counsel to the Association of Catholic Trade Unionists.

The CHAIRMAN. All right. Thank you very much. Do you expect to testify?

Mr. PERSKY. No, sir.

The CHAIRMAN. Mr. McNiff, you have a prepared statement, have you?

Mr. McNIFF. I have.

The CHAIRMAN. It was filed at the appropriate time?

Mr. KENNEDY. Yes, sir.

The CHAIRMAN. All right, Mr. McNiff, you may proceed to read your statement.

Mr. McNIFF (reading) :

In 1937, the Association of Catholic Trade Unionists was organized to help the American working men and women learn, understand, and put into practice Christian social principles. Its objective is to work together with all men of all creeds and of all races to achieve the establishment of a just social structure in America.

The association believes strongly that an honest, democratic and militant trade-union movement is essential for a sound and just economic structure in America. The association believes every man has a right, even a duty, to freely join a union of his choice and through officers freely elected to enter into collective bargaining with his employer.

In order to forward these ideals and others, the ACTU has for 20 years conducted labor schools in New York City where any man, regardless of race, creed, or color may come and learn trade-union practices, labor legislation, and the other tools of effective trade unionism. Out of these schools we are proud to say came many of the great trade-union leaders of today.

In 1953 it became obvious to our association that the Puerto Rican workers in New York City was a negative factor in the dynamism of the New York City trade-union movement. Except for a handful of locals, no one seemed impressed whether these people were trade-union members or not, whether they became active, loyal trade unionists or cynical inhabitants of our sweatshops. Thus the ACTU began training bilingual persons to teach in labor schools that were later established in many parish halls throughout Manhattan and the Bronx.

Through the medium of these schools and the active cooperation of Mr. Jose Lumen Roman, feature reporter for New York Spanish language newspaper, *El Diario*, the ACTU came in contact with a situation which staggers the imagination. The facts we have seen are fantastic. The utter injustices of some exploiting employers and their partners, the extorting unions, are beyond belief.

We have seen how countless incidents of labor-management collusions have resulted in the destruction of democratic trade unionism and have brought forth such fruits as racketeer control of unions, misuse of union funds, bribery and extortion. It cannot be stressed too often that the worst evil of all in the trade-union picture today is collusion between crooked management and crooked unionism because such collusion necessitates the total annihilation of all the democratic procedures which act to check the officers of any union, because such collusion negates any grievance procedures which act to protect the employee, because such collusion makes collective bargaining, contract negotiation and ratification a joke, and because in short, such collusion obliterates the whole purpose behind American democratic trade unionism.

The standard procedure for companies and unions involved in this collusion designed to exploit workers follows these lines:

I. The union approaches the employer or is called by him to ward off unionization by a group genuinely interested in protecting the workers.

II. A contract is signed which has all or most of the following characteristics:

1. A wage scale a few cents above the legal minimum of \$1 an hour, or a weekly average of \$40 to \$42 a week.
2. Two to four holidays.
3. No sick leave.
4. Little or no vacation pay.
5. No welfare benefits.
6. No seniority, and
7. A promise—always fulfilled—and no enforcement.

III. From the signing of this initial "gentlemen's agreement" between the company and the union the labor-management climate existing in the factory or shop covered by such a contract may be described as follows:

1. The workers are afraid of both union and company.
2. No meetings of the union are ever held.
3. The workers are flatly refused a copy of the contract they work under.
4. Workers who protest are fired without redress.
5. The "business agents" of these unions are unknown to the workers. Their yearly or semiyearly visits are confined to conferences with the employer.
6. If an occasional shop meeting is called it is held in the presence of the employer.
7. Union elections are unknown.

A partial list of unions cooperating with companies to exploit the Puerto Rican workers and other unskilled or semiskilled workers in the metropolitan New York area would have to include:

Locals 7, 8, 122, 222, 225 of the International Jewelry Workers.

Locals 1648, 136, 246, 1115A of Retail Clerks International Association.

Local 223 of the Toy and Novelty Workers.

Local 679 of the Pulp Sulfito and Paper Workers.

Local 229 of the United Textile Workers.

Local 138 of the Distillery Workers.

Locals 821 and 2632 of the United Brotherhood of Carpenters.

Locals 239, 258, and 362 of the teamsters, and

Locals 224, 250, 355, and 649 of the Allied Industrial Workers.

Summarizing the situation we found to exist in this group of unions—which comprises the worst of all those whose members have come to our office for aid—we find:

1. The workers are the victims of labor-management collusion which results in the complete destruction of all their individual rights. If they are treated unfairly by management, a union which will not help them get a family living wage in contract negotiations because of a "deal" between company and union, can hardly afford to break its agreement of guaranteed labor peace—for a price—by forcing the company to respect the employee's rights.

2. Consequently, contracts are "negotiated" without any rank and file participation, are then classified "top secret" and forbidden to the members. This practice of secret contracts, or at least the practice of not giving a copy to the workers is unfortunately even practiced by some of the more respected industrial unions in New York City.

3. Under section 9 of the Taft-Hartley Act, local unions must supply members with copies of an annual financial statement. No member who has come to us of any of the above locals has received any information of the finances of their union.

Senator GOLDWATER. May I interrupt, Mr. Chairman?

Mr. McNiff, going back to page 3, in the last sentence of your paragraph 2 at the bottom, you say:

This practice of secret contracts, or at least the practice of not giving a copy to the workers is unfortunately even practiced by some of the more respected industrial unions in New York City.

Would you be able to give us a list of those that you know have that practice?

Mr. McNIFF. I will direct my attention primarily, since we are dealing with the garment industry, to those shops we have been in contact with most of the time. The union in New York City which has most of those shops and does not distribute copies of the contract

to their members is the ILGWU. We have often pushed for the practice, as with the steelworkers, and with many unions, of having copies of the contract distributed to the workers, so that they will know all of their rights and that they will know just what conditions they are working under. This I think is fundamental.

Senator GOLDWATER. I agree with you. Have you discussed that practice with Mr. Dubinsky?

Mr. McNIFF. I have not seen Mr. Dubinsky.

Senator GOLDWATER. Has any of your staff?

Mr. McNIFF. We have discussed this matter with some of the international vice presidents of the ILGWU.

Senator GOLDWATER. Are you getting any encouragement that would lead you to believe that they might be willing to do that?

Mr. McNIFF. I don't know whether it will become a general practice, but I do know that in some of the locals, local 155, Louis Nelson's local, he distributed a copy of the contract after we requested it. We requested it on behalf of the workers who came in and asked for it, but this has not become general practice as of yet.

Senator GOLDWATER. Are you contacted by many workers who would like to have a copy of these papers?

Mr. McNIFF. Descending from the ILGU, and speaking of locals in general, I would say that that is one of the biggest complaints and that whenever there is labor-management collusion, very often no contract exists. It is a verbal agreement between the crooked union and the crooked management to exploit the workers. Without a copy of the contract, the worker does not know where he stands.

I could give you a good example of how this happens very often in New York City on vacation pay. Very often, the contracts in some of these industries have a clause about vacation pay stating that unless the worker is employed in the period of July 21 to August 31, as a hypothetical figure, unless he is employed during that time he cannot receive vacation pay.

What the employers then do is lay off about two-thirds of the shop for that period of time, and get out of paying all of the vacation pay. The workers then come into our organization and want to know if they are entitled to vacation pay. They have the idea that vacation pay is something that the law guarantees them. We try to explain that the vacation pay is provided for in the contract and if we don't have a copy of the contract we do not know whether they are entitled to vacations or not.

Now very often workers are fired, are kicked right out of the union for asking for a copy of the contract in some of these racket locals.

Senator GOLDWATER. Mr. McNiff, does this occur with the union knowledge?

Mr. McNIFF. Well, for example, in local 1648 of the retail clerks, when that was under the leadership of David Lustigman, who is now in Atlanta for extortion, two workers went in and asked for a copy of the contract at the union headquarters and they were subsequently fired.

Senator GOLDWATER. The union then is in collusion with management to deny vacation pay?

Mr. McNIFF. That is one example.

Senator GOLDWATER. And when management fires these people between the period you mentioned—

Mr. McNIFF. It lays them off and then brings them back.

Senator GOLDWATER. The union doesn't do anything about it?

Mr. McNIFF. No, because they have nothing to gain by fighting for the workers, and they will get the dues, regardless.

Senator GOLDWATER. Does that occur in the International Ladies' Garment Workers Union?

Mr. McNIFF. No.

Senator GOLDWATER. I don't want to prolong this, but would you be willing to give us a list of other industrial unions that you know are practicing that?

Mr. McNIFF. I could not give it to you right now.

Senator GOLDWATER. I don't mean right now. But I say when you return to your office would you send it down to us?

Mr. McNIFF. I will go through the files and check all of those instances which we have.

Senator GOLDWATER. Thank you very much.

The CHAIRMAN. You may prepare any list that you care to and submit it, supplementing your testimony here today. Submit it under oath, the same as your testimony.

Senator McNAMARA. Mr. Chairman, I think that this lack of questioning leaves the conclusion that Dave Dubinsky is part of this kind of a deal. Do you mean to imply that?

Mr. McNIFF. No, sir. Mr. Dubinsky is nowhere near, and he is so far away from this type of union that I would never like to give that impression.

However, because Mr. Dubinsky's union is such a very good union, it does not mean that it is perfect. I think one of the places where it has fallen down is in distributing the contract to the workers. This is very fundamental.

Senator McNAMARA. You mentioned a local of the International Ladies' Garment Workers, and what local number was it?

Mr. McNIFF. No. 155.

Senator McNAMARA. Is that an old local or a new local?

Mr. McNIFF. That is an old local.

Senator McNAMARA. 155?

Mr. McNIFF. Yes, sir.

Senator McNAMARA. Then you mentioned the terms of the contract regarding the layoff instead of vacation pay.

Mr. McNIFF. That is right.

Senator McNAMARA. What do you think the union could do about it, and what do you think they do not do about it that they should?

Mr. McNIFF. Could I keep the unions straight? This has nothing to do with the International Ladies' Garment Workers now. That is unions in general, and what could they do? First of all, we will put it this way: A copy of the contract, even in a racket local, would let the workers know where they stand legally. That is just a very fundamental step. Now, unfortunately, even with the contract from a racket local, generally there are no rights in it, anyway, so it doesn't help them out too much. But it is a step toward the right way.

On this layoff, for example, if the union is in collusion with management, it will do nothing about laying off three-quarters of the shop and then bringing them back 2 months later when this period is over.

However, if the union is actually interested in the workers, it will

see that such a clause does not appear; that you have to work from July 21 to August 21, or else you get no vacation pay. That is an obviously vicious way to exploit the workers.

Senator McNAMARA. On the other hand, if it is a legitimate union, and they negotiate terms of a contract with the employers through collective bargaining, and this is the best that they can secure in such a process, then this could occur in a perfectly legitimate union.

Mr. McNIFF. It could occur in a perfectly legitimate union. The only thing is that the unions we have come across in which it has occurred have not been legitimate unions.

Senator McNAMARA. But it could also occur in legitimate unions. I do not think it is a charge in itself that is of great value to the committee unless we get some substantiation.

Now, you might classify something as a legitimate union and I might classify it as a racket union, and the reverse might be true, too.

Mr. McNIFF. Yes, sir.

Senator McNAMARA. So I think in fairness to these contracts that are negotiated legitimately, the terms have to be lived up to and in many instances the union recognizes that it should be better but are unable to obtain it. I am not talking about racket unions.

Senator IVES. Mr. McNiff, I think that I know a little bit about the situation in New York where this matter is a matter of concern.

Is the situation in which the employers generally find themselves, and I am not talking about these racket employers—and I am talking about this idea of the layoff—is it that the employers generally just do not have the work so they have to lay them off? The sufferer in this thing is largely the union employment insurance fund in the State of New York. As you know, this year they tried to raise the rates in order to have sufficient amount with which to pay the benefits for this period of time, and extend the time of the benefits. They got into a political argument over the matter, and nothing happened.

But that is what is back of all of this, and I am very sorry that it has become a part of this racket. But that is what the real situation is, as you know, in New York City.

Mr. McNIFF. The seasonal situation; yes.

Senator IVES. Further than that, I want to say this for Mr. Dubinsky: I wish you yourself would try to get hold of him, and tell him that I told you to do so.

Mr. McNIFF. Yes, sir.

The CHAIRMAN. The Chair would suggest now, if we can, to let the witness conclude his statement, the prepared statement, and then we can make notes and come back to it. I believe we can make more progress that way.

Mr. McNIFF (reading) :

No. 4. Even the criminal provisions of the Taft-Hartley are often violated. It is a crime to deduct union dues without the signed authorization of the given workers. Twice the association has handed over to the United States district attorney of the southern district, State of New York, sworn affidavits of workers from two shops, to the effect that dues were deducted without any written authorization. These shops were: Gilbertson Co., Brooklyn, then under contract with Local 224, Allied Industrial Workers; and Freezmore Metal Products, Brooklyn, under contract to Local 122, International Jewelry Workers Union. We mention these two shops because of the mass violations which occurred in

them. However, in nearly every shop that we have investigated we find people from whom dues are illegally deducted.

5. Union meetings, when held, are only at a shop level and these are held principally for the purpose of intimidation. As an example, we would like to briefly describe the last known New York City rank-and-file meeting attended by Lloyd Klenert, secretary-treasurer of UTW.

Archie Katz, an ex-bookmaker and president of racket local 229 of the UTW, in an effort to ward off defeat in three of his shops where union shop deauthorization elections were filed, called a joint meeting of the shops in question. As a character witness, Archie Katz summoned Mr. Klenert, his international secretary-treasurer. Klenert told the workers that he understood that they had complaints and he was in New York City to solve them. One worker, from Macon Umbrella Co., rose and stated that he had been in the union since 1952 and was earning only \$42 weekly. Klenert asked his name, consulted a list, and informed the worker that when he joined the union he was making only \$36 weekly. Now after 5 years, he was earning \$6 more every week.

The worker replied: "Yes, but the Federal minimum law says \$40 a week." Klenert, visibly angered, rebuked the worker and explained that UTW dues have been spent in political action to raise the minimum wage. The rest of the meeting was spent in Klenert attacking the workers as ungrateful for not appreciating his role and that of the UTW in the American labor movement.

To illustrate in a more graphic fashion how these distortions of American trade unionism operate, we would like to cite some typical cases which have come to the attention of our office.

The Gilbertson Co. is a mailing house in Brooklyn. Two years ago organizers from Local 224, Allied Industrial Workers descended upon the shop. A meeting was held between the union and the employers, and a contract signed. The workers were then told they had a union. Initiation fees of \$25 were deducted from their wages. Dues of \$3.50 per month were extracted from an average \$40 a week wage. There was no shop steward, no meetings, no seniority observed in layoffs, no grievances ever processed, no health and welfare benefits, and, of course, no contract was ever seen by the workers.

What makes this situation even worse is the fact that many workers never even signed checkoff authorization cards as required by the Taft-Hartley. Still dues were deducted.

We were fortunate here. We put these workers in contact with a bona fide union that organized them, struck the shop, and forced the employer to cease doing business with local 224.

To illustrate what kind of men Dio surrounds himself with and how rackets and gangster control spreads once it has gained a foothold in the labor movement, we would like to sketch the activities of one Louis Lasky.

A tragic example of injustice at the hands of this man whose immorality and inhumanity knows no bounds, came to our attention in January 1957 when a group of 100 Spanish-speaking workers, led by Juan Tavares, came into the ACTU offices and recounted a tale of exploitation at the hands of RCIA, Local 136, headed by Louis Lasky.

Louis Lasky is an old friend of Johnny Dio and served as vice president of local 102 of the AFL Auto Workers. After a falling out between the two, Lasky went on to make a name for himself collecting racket shops as did Dio. Local 136 of the RCIA was formed when Lasky and Dio split in 1952. It was formerly one of Dio's United Auto Workers-AFL locals, and its list of officers, while in the RCIA, reads as follows: President, Harold Weiss, Lasky's brother-in-law; secretary-treasurer, Louis Lasky; recording secretary, Louis Lasky; business manager, Louis Lasky.

But Lasky is an ambitious man, and formed several other unions. Lasky has:

1. Local 136A, National Independent Union Council.
2. Local 142 of the Aluminum, Metal Alloys, and Allied Trades.
3. Local 631, Amalgamated Textile Workers of America.
4. The National Union of Butchers, Drivers, Helpers, and Warehousemen of America; and
5. The Amalgamated Metalcraft, Wood, Plastic, and Wireworkers Union, 136A.

They are all Lasky independents.

For the past few years Lasky slowly transferred the members of his RCIA locals into the independent unions he controlled. By doing this he is able to keep all the dues money instead of paying the international per capita tax.

The following incident is a good example of how Lasky treated his members as mere pawns to be used for his own personal advantage.

One hundred Puerto Rican workers were employed by Merit Enterprises, Inc., a metal factory which at that time was located in Queens Village. The company planned to move to Brooklyn, N. Y., and wanted to get rid of the old workers, because they had started to assert their rights and Lasky was beginning to have difficulty living up to his guaranty of labor peace. Lasky helped the employer get rid of the old employees by refusing to negotiate a new contract with the employer when the old one at the Queens Village plant ran out. This left the employer legally free to move his shop and fire all 100 workers in the old shop, open the new plant in Brooklyn and hire new more easily controlled workers at a lower wage scale.

Lasky's gain in the transaction was the transfer of the company from local 136 of the RCIA to Lasky's own personal union, local 136A, of N. I. U. C., whose president is Pearl Weiss Lasky, Lasky's wife, and whose secretary-treasurer is Daniel Lasky, his brother, and whose director—a symbolic title if there was one—is Louis Lasky.

The RCIA situation also is worthy of study to illustrate how many of the welfare funds provide welfare only for the union officers. For example, in another now expelled RCIA union, local 433, headed by Al Cohen, the contracts required that an employer pay \$5 per week per employee to a welfare fund and \$10 per week per employee to the union to study a pension plan.

When the international took over the books of this local 433, the welfare fund which was getting \$10 a week per employee, had a balance of \$7 in the bank and the pension study plan had a balance of \$17.

It must be constantly emphasized that such incredible mismanagement of funds could not take place without the happy cooperation of employers and their representatives.

Let me give you an example, the individual in question is Marshall M. Miller, a labor-relations consultant with offices at 1790 Broadway. Mr. Miller was formerly a union organizer for the Upholsterers International Union. He was fired by the union for making collusive deals with employers in New York in 1949.

Immediately he went into business as a management consultant. He approached and was hired by many of the employers with whom he had made deals in the past.

Miller first came to our knowledge when he appeared representing three different employers who have contracts with an ex-bookmaker turned union leader, Archie Katz, president of Local 229, United Textile Workers, AFL. He appeared at many NLRB proceedings and in open cooperation with Katz, attempted to keep the shops under local 229 control.

He now has formed a management association, the Textile Trades Association, which according to its bylaws, was formed to "maintain freedom from unjust extractions, regulate conditions of employment, and maintain industrial peace."

The real purpose of this association, which is by the way a union-dominated employer association, is to write a master industrywide contract to prevent the workers in the individual shops from decertifying local 229.

Miller also has appeared to represent the Keystone Garter Co. recently. This company employed 60 Puerto Rican workers and for the past 4 years has paid the dues of all the employees to local 138 of the Distillery Workers Union. What the garter shop was doing with distillery workers, I don't know.

The average wage here as in the local 229, UTW shops, was \$40 a week. No welfare benefits, no seniority, no grievance procedure and no one even knew the union existed. Obviously, a type of industrial peace was fostered by Marshall Miller.

Over and above Mr. Miller's career in labor-management relations, he also has time to be public spirited. He is a consultant to the New York State Legislative Committee on Industry and Labor. This is a title of honor he utilizes to create a facade of legitimacy.

Senator IVES. I just want to interrupt you there.

You say this Miller is consultant for the New York State Legislative Committee? Is that the joint committee on industrial and labor conditions in New York State?

Mr. McNIFF. I believe it is.

Senator IVES. This fellow is a consultant for it?

Mr. McNIFF. He is.

Senator IVES. I am very glad to learn this about him. The committee will find out about it, too. Thank you very much for the information.

Mr. McNIFF. I might say, Senator, that this information appeared in a series on the New York situation, running in the New York Post about 3 weeks ago. It identified Mr. Miller in this capacity, and as of yet, nothing has been done.

Senator IVES. There would not be any opportunity to do anything yet. That committee was reorganized about 2 months ago.

Mr. McNIFF. He uses this title to appear legitimate.

Senator IVES. What service does he perform for that committee?

Mr. McNIFF. That I don't know.

Senator IVES. Is he in research or something like that?

Mr. McNIFF. The title he uses is "consultant."

Senator IVES. What is his appearance?

Mr. McNIFF. I haven't a description of him.

Senator IVES. Is he a short fellow?

Mr. McNIFF. Could I see you on that later, Senator?

Senator IVES. I wish you would give me full information about it. I am very much disturbed about anything like this.

Go ahead, I do not want to interrupt you any more, and pardon me, Mr. Chairman.

Mr. McNIFF (reading) :

In addition to the failures of the unions we have mentioned, all of which are members of the AFL-CIO, the situations created by the many independent unions, unaffiliated with the AFL-CIO are fantastic to a point beyond belief.

Some independents, such as those of Lasky's, which we have already touched upon above, are large-scale extortion outfits. Others, such as those affiliated with Confederated Unions of American, National Independent Union Council, Allied Craft Unions, and the United Industrial Unions, are pathetic in their petty larceny.

For example, Visamer Industries, a Brooklyn concern, signed a contract with Local 242, Amalgamated Production Workers Union, in 1953. This union has filed 1 financial report in Washington in 1953, in which it listed assets of \$4. As its office location, it listed first one address and then another. The former was a barbershop, the latter, a vacant lot.

This situation would be very comical if it were not for the fact that the employer deducted \$3 each month from every employee to pay this phantom union and gave substandard wages and no benefits in return.

But in summary may we state that we believe that there are a few basic principles that can be adduced from this situation.

First, any contract establishing a rate of pay of \$40 to \$45 for a 40-hour week is immoral. It is not a living family wage. A union that contracts for such a wage does not deserve to exist, much less collect dues.

Thus, our organization advocates the establishment of a provision on the part of the AFL-CIO that no local union may collect dues if its members earn from \$40 to \$45 per week for a 40-hour week.

Secondly, the only effective cure of the Puerto Rican labor problem in New York must come through trade-union action. In this we commend AFL-CIO President Meany's concern for this problem. We heartily agree with the honest trade unionists like Harry Van Arsdale, of the International Brotherhood of Electrical Workers, and Jack Rubenstein, of the CIO Textile Workers Union of America, and Morris Inshevitz, who are heading a special committee established by Mr. Meany to clean up this corruption in their program of raiding this element out of existence.

Thirdly, we would respectfully urge the following amendments to the National Labor Relations Act which we think would strike at the heart of this problem, chiseling employers and their satellites, the union racketeers.

These proposed amendments were approved after exhaustive debate at the 12th National ACTU Convention held July 5, 6, and 7, 1957. The new clauses added to the National Labor Relations Act would provide :

1. That any collective-bargaining agreement be void unless the appropriate unit has approved the agreement by an NLRB-conducted secret ballot.
2. That any collective-bargaining agreement be void unless filed within 10 days after execution at a designated place open to inspection by members of the covered unit.
3. That all moneys collected in violation of existing NLRB regulations and under voice contracts be recoverable from the employer and/or the union officials involved.
4. That it shall constitute an unfair labor practice for either the employer or the union to directly or indirectly enforce a void agreement.
5. That it constitute a violation of the Criminal Code to collect moneys pursuant to a void agreement.

These amendments would guarantee the employee an effective mechanism by which he would be able to approve and to have access to the contract under which he earns his livelihood, surely something which is but an elementary right of all employees. It would thus make private deals between crooked unions and crooked management almost impossible.

In conclusion, we would like to state that the picture in New York City's marginal industries, is a complicated one. But one factor stands out. The mob is nearly in control of every union that deals in this type of shop. With the emergence of James Hoffa and John O'Rourke as leaders of the teamster unions in metropolitan New York, the Puerto Rican and Negro worker will be extremely hard pressed to ever gain honest democratic trade unionism.

The CHAIRMAN. Why do you include Hoffa in that statement?

Mr. McNIFF. I included Mr. Hoffa, if I may say so, because while this may not be evidence admissible in court procedures, I was speaking from what you would call common knowledge in New York labor circles. In other words, it is the same thing as knowing who blinded Riesel but not being able to prove it in court.

The CHAIRMAN. All right.

Mr. McNIFF (reading):

The alliance which has been made by Corallo-Dio-Hoffa and their petty satellites, Louis Lasky, Hyman Powell, Archie Katz, Dominick Pape, and others, together with their employer fronts, like Marshall Miller, has already brought honest New York City employers and their employees to their knees.

Gentlemen, if this alliance is allowed to continue, we can assure you that over a million workers will be deprived of any bona fide union representation.

The social effects of this collusion have already been felt by the taxpayers. Much criticism has been leveled at the Puerto Rican and Negro workers in New York City because they allegedly overflow the New York City welfare rolls. It has been our experience that over one-half of the Puerto Rican workers we have interviewed who are on welfare are receiving aid for dependent children or supplementary assistance. The cause of this is the happy cooperation of the employers and the unions to exploit the worker. Together they have created a depressed-job area. They have made it virtually impossible for an unskilled Puerto Rican worker, supporting a family, to earn over \$45 a week. This situation is costing New York City over \$25 million a year in welfare payments alone. The looting of welfare funds has cast an overwhelming burden on our city hospital system, especially its clinics.

In order to rid themselves of this type of economic slavery the workers must seek the aid of the bona fide union in New York City. In this process many strikes must ensue. However, any strike not supported by the teamsters in the marginal industries is almost preordained to failure. If the employees of an Allied Industrial Workers' shop strike to rid themselves of the AIW, a call by Mr. Dio to his cohort, Mr. O'Rourke, starts the trucks rolling away with the production.

Should a decertification petition be filed, the employer simply picks up his cheap machines from Brooklyn, and with the help of the Dio-Hoffa-O'Rourke axis moves to the Bronx where he finds another friendly union to dominate and intimidate a new crop of unskilled and unlettered workers.

The unknowing employer has no difficulty finding a union willing to supply him with a management consultant well versed in happy cooperation.

The continuance of this situation may create a condition in which honest unionism shall cease to exist in New York City.

The CHAIRMAN. Thank you very much, Mr. McNiff.

Senator Ives has a question.

Senator IVES. The reason I am particularly interested in this is because it is a New York matter, and I know a little about it. In the first place, on page 4 of your statement, under paragraph 4, you refer to taking these matters up with the district attorney, but you do not indicate what kind of results you received.

Did you get any results worthy of the name?

Mr. McNIFF. The letters that we sent to the United States district attorney of the southern district were transferred to the eastern district because of jurisdiction, and that caused a lag of time.

Right now, they are in the eastern district, and as of yet, nothing has been done.

Senator IVES. How long have they been there?

Mr. McNIFF. Since February.

Senator IVES. Since February?

Mr. McNIFF. Yes, sir.

Senator IVES. Knowing how those courts are jammed up, I am not surprised at that length of time.

Mr. McNIFF. Pardon me, may I correct that? I have the papers here. That was another case. I have the letter here. It was May 20 when Mr. Ambrose sent it to the eastern district.

Senator IVES. That is not too bad considering the way those courts are jammed up here. There is another thing. I take it you are acquainted, having been in this field in New York State, with the fact that New York has a State labor relations board?

Mr. McNIFF. Yes, sir.

Senator IVES. Have you ever used that? You are talking in your statement all of the time about the National Labor Relations Board and about the Taft-Hartley Act.

We have a State Labor Relations Act in New York State, which I think is important from your standpoint because I think a great deal of this activity is intrastate, is it not, and it might be fully as effective for you as the National Board.

Mr. McNIFF. I must confer on one thing, and may I confer with counsel?

Senator IVES. That is what I am trying to find out.

(The witness conferred with his counsel.)

Mr. McNIFF. I just wanted to check this. The main reason why we have used the NLRB has been that the biggest weapon that we have been able to use in getting rid of racket unions has been decertification elections or union-shop deauthorizations.

Senator IVES. Which the State Labor Relations Act does not provide?

Mr. McNIFF. It does not provide for it.

Senator IVES. I realize that.

Mr. McNIFF. What happens, and why we are so excited about the contract always, is that as you know the contract is a bar for an election for at least a period of 2 years. So that what happens when you have a racket shop is this:

Suddenly, they produce a contract, and the ink is still wet on it, which goes for the next 2 years. This makes it impossible for us to have an election or for a decent union to have an election to come in and take the shop.

Lacking the ability to have an election by a good union, we have a union-shop deauthorization election. This way, no more dues are collected by that racket union. What then happens is that most of these unions are only interested in the dues anyway, so when we get the dues thrown out, they disappear.

Legally, they are still the bargaining agent for the 2-year period. However, once they have no dues, they just forget the shop ever existed, and then a good union can come in.

Senator IVES. Have you sought to appear before a legislative committee to have the State law amended?

Mr. McNIFF. Honestly, Senator, we have been so busy just taking care of the cases that have come in to us—

Senator IVES. I can see you have been busy, but it occurs to me if you could get a State statute under which you could operate, you could use the State courts and things of that kind, I think that it might be fully as effective as what you are trying to do through Washington.

I would suggest you try to get some legislation through the legislature of the State to help you.

Mr. McNIFF. Along the same lines of union-shop deauthorization, you mean, Senator?

Senator IVES. Yes.

Mr. McNIFF. And decertification?

Senator IVES. You may have trouble there. These racketeers may try to block you, you know, posing as union leaders, but I think you have a pretty good group in that legislature.

Thank you.

The CHAIRMAN. Are there any questions?

Senator McNAMARA. I think the young man has made a marvelous presentation, and I am sure overall it is of great help to the committee, and I want to compliment him on coming here and cooperating with this committee.

Certainly, this situation needs the attention of this committee and all decent people involved.

On page 4 you spell out in great detail what happened at a union meeting starting out with, "Archie Katz, an ex-bookmaker," and so on. How do you get this information in such detail? Were you there?

Mr. McNIFF. At the meeting you mean? Oh, yes, we were at the meeting.

Senator McNAMARA. You were there?

Mr. McNIFF. Yes.

Senator McNAMARA. Are you a member?

Mr. McNIFF. Of the union, no. Could I explain the situation there?

Mr. Katz attempted in this meeting to convince some of the union leaders in New York City and some members of the press that his was a good union and Klenert was supposed to come up and smooth things over.

We were uninvited, but invited were Jose Perez of the Puerto Rican affairs committee of the AFL-CIO and, if I am not mistaken, I think Mr. Murray Kempton of the New York Post was there.

Mr. Perez, after the meeting, said to Mr. Katz to the effect of, "Why invite me to this meeting? Obviously you were trying to put something over on me." He was quite distressed about that.

Senator McNAMARA. It is interesting to me that you were there and you go to these ends to follow it up.

Mr. McNIFF. Sometimes we get thrown out.

Senator McNAMARA. I think it makes it much more valuable. You are a full-time employee?

Mr. McNIFF. No; well, during the summer I am. I am a student in the law school, or I will be in September. I might add about our organization that it is all volunteer work and that is why our staff is so limited.

Senator McNAMARA. You are paid to some degree in the summer.

Mr. McNIFF. During the summer I receive some expenses.

Senator McNAMARA. How does your organization get financial support?

Mr. McNIFF. We have members who believe in spreading Christian social principles, and we have a communion breakfast once a year which publishes a journal and in which ads are sold. We publish a newspaper, which gets some money in, and then we run a dance once a year.

Senator McNAMARA. Obviously, you yourself do a lot of work that you do not get paid for.

Mr. McNIFF. Yes.

Senator McNAMARA. I think that you are to be commended for doing this job and I for one, speaking only for myself, appreciate your appearance.

Senator KENNEDY. I want to join Senator McNamara, Mr. McNiff, in complimenting you for what you have done, and what your organization is attempting to do. I think the facts you have brought out have been tremendously valuable to the committee, indicating who really pays for these racketeers in the labor union movement.

Now, it is interesting that these people who come before us are supposedly trained union leaders, but are actually racketeers—people like Mr. Cross of the bakery workers.

We had an example of his tieup with an employer in order to deprive the workers in one of his locals of a reasonable wage, and a comparable wage in the area around and comparable to other locals.

We had Mr. Klenert, who came before us for misusing union funds, and his name has come into this hearing as an exploiter of workers and now we have these other examples that you have given.

I think it indicates these people that this committee has been investigating are not labor-union leaders. They live off labor unions. I think your testimony perhaps more than any other dramatizes this close tieup between corrupt employers and racketeers who move into the labor-union movement and exploit the worker. I think your testimony has been especially valuable in throwing light on this and I hope that any trade-union members who are looking in will realize how important it is that these racketeers be thrown out of the labor-union movement, for their own interests, let alone the public interest.

I think your testimony has been particularly helpful and valuable and I am hopeful as time goes on the committee can attempt to develop this point more and more frequently.

The only question which I had was with reference to your suggestions as far as amending the National Labor Relations Act. Do you feel these suggestions are sufficient and that they would do a measur-

able job, or is it your opinion that in the last analysis it will be up to honest trade-union people to drive these hoodlums out?

Mr. McNIFF. Senator, as I tried to say, first of all I think it is impossible to legislate this out of existence, utterly impossible. I think it has been unfortunate and there have been some benefits and some loss from the AFL and CIO merger when they signed a nonraiding pact, because this has hampered good unions that have seen a bad situation and want to take it away from a crooked local.

But if that crooked local happens to be affiliated, you can't raid. So, therefore, there is immunity there. It would be helpful if the AFL-CIO were to set up just one special committee a trouble-shooting committee, to take locals out of the international completely and put them under the arm of the AFL-CIO, and clean up the situation and then transfer them to those who have jurisdiction over them.

That would be a very vital and a very important way of doing it.

Now, this matter of contracts was suggested to us from the clause of the National Labor Relations Act now, which makes it obligatory to file your financial statement. Before financials were filed in Washington it was impossible for a worker to find out what the finances were.

Now, all he has to do is ask Mr. Rothman, the Solicitor of Labor, and fill out the proper affidavits, and he will get the financial statement that was filed by his union.

Speaking off the cuff, probably every one of the crooked locals has crooked financials, but at least you have something. With the contracts, making contracts be filed would make it impossible to have the employer suddenly appear with a contract for the next 2 years.

In other words, you would know when your expiration date is, you could get your strategy ready to bring in a good union and have a decertification election when that contract was up.

Now, filing of contracts is just something which has to be done. Most of it has to be done by the AFL-CIO itself.

Senator KENNEDY. I am glad that you brought up that point. I know Mr. Meany mentioned to the committee that he is attempting to assist. I am hopeful that as a result of the work that they have done, and with your testimony, that they will consider taking further action. I am rather concerned that any possible amendments to the Taft-Hartley Act, which certainly could not come for another year, anyway, will really not meet this situation which will exist in the next 12 months. So it has to be met partly by the legal authorities.

While I know the court dockets are overcrowded, since May 20 have you had an investigation of your charge?

Mr. McNIFF. We have received no reply since May 20.

Senator KENNEDY. In the last 2½ months, you have not heard anything? Have you had an acknowledgement?

Mr. McNIFF. Other than from the southern district that it was sent to the eastern district; no.

Senator KENNEDY. I think it is time that the eastern district met their responsibility in this.

In 2½ months, it seems to me that you ought to get some sort of an answer as to whether they are going to do something or are not going to do something.

I know that they are busy, but it seems to me that this is an outrageous situation. I cannot believe they are that busy that they can-

not at least indicate to you if an investigation is taking place or when an investigation is going to take place. It seems to me that their responsibility to you and to the people who are involved in this is to take some action, or at least indicate when they are going to take some action.

On the last point, it seems to me what is involved here, the people being exploited, Negroes and Puerto Ricans, are those who, through lack of being able to speak English, such as the Puerto Ricans, or lack of education, or lack of a community establishment for them to protect themselves, those are the people that are being lived off of by these people. It is the people at the bottom of the heap who have no protection of their own and no resources which they can fall back on.

Is that correct?

Mr. McNIFF. It is virtually a repetition of what has happened to every immigrant who has entered the United States.

Senator KENNEDY. That is why they have to depend on groups like yours, which is a volunteer group, or on the authorities. That is why I am particularly anxious to see some action taken by those in a position of responsibility in this area on your complaint. In any case, in summing up, I want to compliment you. I am hopeful that the AFL-CIO, even though they have done a good job in this field, will attempt to do more, in view of the "no raiding" which you have discussed, and see if they can work out an alternate solution perhaps along the lines you suggested.

The National Labor Relations Board and the local New York authorities can also work on it.

It is a disgraceful situation.

I am glad you brought it to our attention this morning.

Senator GOLDWATER. Mr. McNiff, I want to join my colleagues who have complimented you on this report. I think it is by far the most outstanding one I have listened to in nearly 5 years of labor hearings.

I want to compliment you on it, not only for your organization's sake, but for the work that you, yourself, put in it.

I have just one or two questions. Have any of the larger retail establishments in New York City been guilty of the practices that you have outlined on pages 6 and 7 in relationship to the retail clerks?

Mr. McNIFF. In all my comments, sir, I try to limit what I would say on my own personal firsthand information and the experience of our association, anything that I would say on that. All the work that we have done has been on what I would call fly-by-night shops, very marginal industries, men who are in business 5 years and then maybe out of it.

I would say the better elements of business—and I want to mention one association which has done an awful lot, the Commerce and Industry Association in New York, headed by Thomas Jefferson Miley—on this business is very much against this. But it is what I would put in quotes, the "sharp operator," who wants to cut costs to the minimum, and the biggest cost to cut is labor.

So we have honest industries paying a decent wage, competing against substandard industries who are just cutting the corner, and underselling their honest competitors by exploiting the workers.

This is something that I think business is just as responsible for and should take just as active an interest in wiping out.

As I mentioned, the Commerce and Industry Association has done a lot of work to try and get business to realize this is their responsibility, too.

(At this point, Senator McNamara withdrew from the hearing room.)

Senator GOLDWATER. I have one other question that touches on what Senator Kennedy was asking you. On page 8 you say "In addition, failures of the unions we have mentioned, all of which are members of the AFL-CIO" and then you go on to describe those that are not affiliated with this merged union.

To your knowledge, has the committee on ethical practices been informed of these violations?

Mr. McNIFF. Well, the committee on ethical practices has been informed on the violations of the unions in the AFL-CIO. We submitted a 50-page document.

Senator GOLDWATER. How long ago did you submit the evidence to them?

Mr. McNIFF. I can't get exact dates, but it was about the last week in May. Mr. Meany appointed Mr. McGavin and we met with him. Mr. McGavin spent about a month in New York, going back and forth from Washington to New York, investigating the situation, collecting information. I am not sure but I understand that he has submitted his report to Mr. Meany, and that it is being worked upon.

Senator GOLDWATER. But there is no action as of yet?

Mr. McNIFF. Yes. There have been some individual cases. I will just sketch one little one. What I want to emphasize constantly is that this is not like General Motors or United States Steel. These are all 60 people in a shop, so it is multiplied again and again.

One example that was just recent was that district 65 of the Retail-Wholesale Clerks Union struck a shop in Manhattan which had been formerly in a crooked local of the jewelry workers. The international president of the jewelry workers, Mr. Powell, rescinded the jewelry workers protection from this crooked local and let district 65 come in and clean up the situation.

In the meantime, the employer, who was trying to get around paying decent wages, was building a plant in Flushing. He also had a plant in Brooklyn. He was going to move both into Flushing, and make a deal with a crooked union.

Actually, then, what he did was take all the business from the Manhattan plant and put it in the Brooklyn plant, so that the strike in Manhattan was ineffective.

The plant in Brooklyn was organized by the IUE, the optical workers division of the IUE, and they at first did not want to strike the Brooklyn shop, and did not want to support the raiding of the crooked union in Manhattan. However, after conferring with Mr. Meany and McGavin and the committee and discussing the entire issue, their complaint was that it wasn't in district 65's jurisdiction, that they were the optical workers, and if anyone was going to do it, they should.

Well, after much conferring, they went right along with Mr. Meany, I think he gave the initial push on it, the IUE cooperated completely with district 65, would not let the employer run the shop out of Brooklyn while the one in Manhattan was on strike, cleaned out the crooked

union, and now the AFL-CIO itself has not delegated this new shop in Flushing to either one of the unions. District 65 has the one in Manhattan. The IUE has the one in Brooklyn.

When they move to Flushing, then it will be determined which one will take care of both.

But they all cooperated in that situation, and that was just last week. It ran for 2 weeks, to clean up a very bad situation.

That was a very good step.

In unions, one of the worst things is jurisdictional arguments. If the IUE had not cooperated, this could have stopped the clean-up right in the initial stage. However, they said—

Regardless of this jurisdictional argument we will go completely along with it, first clean out the racketeers and then we will take care of these jurisdictional questions.

Senator GOLDWATER. That is very encouraging. Thank you very much.

Senator CURTIS. Mr. Chairman?

The CHAIRMAN. Senator Curtis.

Senator CURTIS. Mr. McNiff, I want to join with the others in commending you for a fine statement. You represent sincere concern for the people involved, and it is a courageous statement.

You have been associated with the Catholic Trade Unions for some little time, have you?

Mr. McNIFF. While I was in college, for the 4 years, I went nights down to the organization.

Senator CURTIS. You are a resident of New York?

Mr. McNIFF. I am.

Senator CURTIS. I believe you stated that considerable of this work has been volunteer work on your part?

Mr. McNIFF. Yes. Well, the whole organization is volunteer. I want to stress that. I don't like you to get the idea that I am a one-man organization. We have lawyers that have worked on these cases time and time again, all without fee.

Senator CURTIS. I think your entire group are entitled to very high praise, not only for the fine work you have done but there is always a good reason for people not speaking out about abuses that exist in any field of activity.

I will be quite brief, but there are a few points I want to clear up.

These dishonest practices and collusion that you have talked about, that has not been confined entirely to the Puerto Ricans and Negro workers, has it?

Mr. McNIFF. No, they have not. However, our organization has come in contact, I would say, where 80 percent of the work has been with Puerto Ricans. We spotlight the Puerto Ricans because numberwise that is the biggest group being exploited right now.

Senator CURTIS. And perhaps the dishonesty and exploitation is more pronounced and very much more commonplace with respect to these groups?

Mr. McNIFF. Yes, I think it is.

(At this point, Senator Ives withdrew from the hearing room.)

Senator CURTIS. But these practices here do exist outside of those two special groups you mentioned?

Mr. McNIFF. I would say so.

Senator CURTIS. I was impressed by what you said at the bottom of page 2 and the top of page 3, about the workers are afraid of both union and company; no meetings of the union are ever held; workers do not get a copy of the contract; workers who protest are fired, and so on, and the union elections are unknown.

It is true at the present time a union or a bargaining agent can just be set up by almost anybody.

It is a voluntary association, is it not?

Mr. McNIFF. Yes, that is right.

Senator CURTIS. Do you think that it might be appropriate for the Congress to give consideration, at least, to the possibilities of certain minimum requirements as to what constitutes a bargaining union, and whether or not it should be incorporated as a nonprofit corporation, or given some identity where the members can seek protection of the laws of the various localities where they are located? Do you think that should be explored?

Mr. McNIFF. This is speaking quite extemporaneously.

Senator CURTIS. Or do you think it should be done by definition in the National Labor Relations Act?

Mr. McNIFF. What I think as a constant stress with unions is that unions are basically democratically run. That is the one thing that can always save a union.

I know of so many examples of men who, in racket situations, stood up, had families, and they really put themselves on the spot. They had other people together, and they fought these unions. Through the democratic process, they were able to take control.

I would hesitate, very, very much to speak in favor or think of any legislation which would transfer it from voluntary to something like a corporation setup. I think it wouldn't be the right thing to do with unions.

Senator CURTIS. I certainly share your view on the idea of keeping it voluntary. But there is a problem in that somebody like this man Lasky that you mentioned says "I am the union" and that is it. Somewhere there should be some basic definitions of what constitutes a union and who can be a bargaining agent, should there not?

Mr. McNIFF. I just received a note from our lawyer, something which I had completely forgotten, which might bear looking into, and that is an enactment like section 8 of the Waterfront Act of New York, where officers of unions may not be felons, where a convicted person may not hold an office. That might be a big step, but many unions may look with disfavor on my saying it. I think it would be a step at cutting down this racketeering.

Senator CURTIS. I was interested in the expression you used that when these corrupt and dishonest situations exist one remedy you could pursue would be the union-shop deauthorization. Would you expand on that a little bit; what you mean by it?

Mr. McNIFF. The union-shop deauthorization is a vote. I won't go through all the procedure of getting the vote. It is a vote which is administered by the NLRB, a secret ballot, where the voters decide whether they want to rescind the union-shop authorization. What that does, in effect, is make it possible for a person to work in the shop who is not a member of the union.

That is voted by a majority of voters. They decide that you can work in the shop without being a member of the union. Therefore, you do not have to pay dues.

This is the way to getting the dues not paid to the union.

Senator CURTIS. In other words, if a union is in corrupt hands, or it is not serving the interest of the workers, they can refuse then to pay dues and still not lose their jobs; is that right?

Mr. McNIFF. That is correct, according to the law. However, in the struggles that we have had on union-shop deauthorizations, wherever there is a lawyer there is a way to delay, there is a way to get around it, and we have had some difficult fights.

Senator CURTIS. I understand it is difficult, but the objective you are driving at is a situation where these workers can protest against the treatment they get from a union by not paying dues and without losing their job?

Mr. McNIFF. Yes. What I would say is if the union does not have the support of the people in the shop, obviously it should not represent those people.

Senator CURTIS. Yes.

Mr. McNIFF. If they vote not to pay dues, obviously they do not think enough of the union to want it.

Senator CURTIS. Is it true that most of these dishonest contracts, when they are entered into, do provide for a union shop?

Mr. McNIFF. The way I understand it, and I am open to correction, originally when the Taft-Hartley was enacted there was an election to be held to establish a union shop. However, I think in over 98 percent of the elections that were held by the NLRB on this clause, the union won. So it became sort of, let us say, senseless bureaucracy and repetition, and very cumbersome to have all of these elections, if in 98 percent of the time you knew what the outcome was going to be.

So then this was taken out of the Taft-Hartley so you didn't have to have an election to establish a union shop.

Senator CURTIS. What I am talking about is, When there is collusion, these cases that are frowned upon, when there is collusion between management and labor, and the members do not have access to look at their contracts and so on, in most of those cases is the union shop in there?

Mr. McNIFF. Theoretically it is. However, once there is collusion, what often happens is if somebody is a friend of the boss he doesn't bother paying dues. They just make an arrangement. The union says, "How many workers do you have" and the employer says, "200."

"What is your low point?"

"One hundred and twenty-five."

"From now on, send me dues for 150 people."

Senator CURTIS. In other words, it is operated as a union shop and in order to get at the corruption, one of the steps you take is to strive for this procedure that you referred to, a union shop deauthorization?

Mr. McNIFF. That is correct.

Senator CURTIS. As long as the practice of the union shop is carried out, then the union leaders have a hold over the workers; is that correct? Or, at least, they are financed in whatever they are doing.

Mr. McNIFF. I wouldn't know whether it is the union shop that puts the hold over the workers.

Senator CURTIS. I will put my question this way: What, then, are the advantages of deauthorization?

Mr. McNIFF. It opens up a way of not paying dues. It is just a roundabout way not to pay dues. That is the principal advantage.

Senator CURTIS. I understand that.

Why do you not want them to pay dues, and what is gained when you shut off the dues?

Mr. McNIFF. When you shut off the dues, the union leaves, if you have enough of the people behind you. What also often happens is that that does not stop people from being fired or laid off. If the boss wants a crooked union and the union is working with him, and a union-shop deauthorization election is filed, they will, together, either lay off most of the people and bring in new people, and then we have to sign up their names, or they will fire, outright, the petitioner. But, luckily, under the Taft-Hartley now, being fired for union activities is an unfair labor practice, so we can go to the NLRB for this. However, that generally takes 6 or 7 months.

So the procedure involved in it certainly puts the employees in a difficult position.

But if we do win the election, that means that no longer will these people have to pay dues. If they no longer have to pay dues, the union, who was only there to get dues anyway, will leave, nine-tenths of the time.

(At this point, Senator McClellan withdrew from the hearing room.)

Mr. McNIFF. If we are strong enough to win the election, generally we are strong enough to have the workers all leave, go out on strike, if they try to fire the leaders, or if they try to lay off the good people in the shop.

(Members present at this point: Senators Kennedy, Goldwater, Mundt, and Curtis.)

Senator CURTIS. I did not mean to imply that once you accomplished the deauthorization it solved your problems. But the big thing you gain is to shut off the money that finances a bad labor union.

Mr. McNIFF. Right.

Senator CURTIS. Again I want to commend you for a comprehensive, well thought-out statement and a courageous one, and all of your associates.

Senator MUNDT. Mr. Chairman?

Senator KENNEDY. Senator Mundt.

Senator MUNDT. Mr. McNiff, I am very sorry that I was detained at another meeting so I was not here when you read your statement. But I have read it from the manuscript while my colleagues have been interrogating you. I certainly desire to associate myself in congratulating you on the constructive and courageous nature of that statement.

It has described a very shocking situation which, in my opinion, rivals, insofar as these Puerto Ricans in the city of New York are concerned, the conditions under which Negroes in America lived before the Emancipation Proclamation, and I suspect, actually, that some of the Negroes in those days lived better than some of the Puerto Ricans under these deplorable racket-ridden union conditions that you have described.

I believe and hope that our committee is going to be able to help write a second emancipation proclamation, which, insofar as the American working man and woman is concerned, is going to give the protection which is badly required.

As I read your statement, it would appear that ultimately the taxpayers of New York City and New York State wind up holding the sack because of the racket-ridden conditions existing in New York City, because these poor workers wind up eventually on the public welfare rolls, do they not?

Mr. McNIFF. Yes. They receive supplementary assistance. That is, if you earn \$40 and you have a family of 6, the welfare department decides that you need another \$12 in order to exist, and this comes from the welfare department.

(At this point, Senator Curtis withdrew from the hearing room.)

Senator MUNDT. It would seem indicated from that, that the State government of New York State and the city government of New York City, and the county governments involved, should join with this committee in trying to work out some correction. This is a cancerous condition which can become even more serious than what is exposed.

I sincerely hope that the representations that you have made to the AFL-CIO ethical practices committee are speedily acted upon. I am sure that there are some corrective steps that they could take.

I am equally positive that legislation by Congress is going to be required, as you have indicated, to completely correct the situation.

(At this point, Senator McClellan entered the hearing room.)

Senator MUNDT. I notice on page 9, you have five recommendations. I want to ask you about recommendation 2, that any collective-bargaining agreements be void unless filed within 10 days after their execution in a designated place, open to inspection by members of the covered union.

Do you anticipate in this family of five recommendations that you make that the National Labor Relations Board or some representative of the ethical practices committee, or some third party somewhere, be there to examine the books to be sure, No. 1, that the number of workers covered jibes with the number of workers from whom dues are being collected, and, 2, that they are receiving the national minimum wage provisions, whatever they happen to be, in that particular locality or in that particular line of work?

Mr. McNIFF. Well, this specific clause would only say that any collective-bargaining agreement would be void unless it is filed. In other words, what that means simply is that when you make a contract, that a copy of that contract must be sent probably to the regional director of the NLRB. He would then keep this on file.

If a worker from a shop covered by that contract wanted to see that contract, he would send in a request to the NLRB, the regional director, who would then send him a photostatic copy.

As for examining books, that wouldn't enter in here. That is a step we have not contemplated.

To be honest, sir, my background has been limited to this type of business and I would not really be capable to speak in favor of examining union books or things like that, to check figures.

I do know, of course, that if you are paying substandard wages, under the minimum wage, that definitely the Government agencies do subpoena the books and check them. They have helped in many situa-

tions, where people have not been receiving the Federal minimum wage, and the company has been forced to pay all the back wages which they had not received.

(At this point, Senator Goldwater withdrew from the hearing room.)

Senator MUNDT. The payment of substandard wages must form an inherent part of this whole racket, or otherwise there would be very little incentive for dishonest employers to engage in collusion with dishonest representatives of labor.

Mr. McNIFF. I would say, sir, that the Federal minimum wage is much too low, and if the Federal minimum wage were more than a dollar an hour, at least \$1.25, if there were some kind of hookup or correspondence between the minimum wage and the cost-of-living index, I think it would demonstrate that \$1 an hour, \$40 for a 40-hour week, is far too little. Presupposing that the Congress were to raise the minimum wage to, taking a low figure, \$1.25 an hour, \$50 a week, that would automatically force these unions to give the workers much nearer a living wage, and then in order to stay in existence, they would have to get the worker not \$50, but would have to get him at least \$52. There is no sense paying dues for the Federal minimum wage.

Senator MUNDT. That is right. You get that as a consequence of law.

Mr. McNIFF. Yes.

Senator MUNDT. When you are talking about minimum wages, do you recognize the validity of the argument that a national minimum wage is, in itself, an instrument of inequality because living conditions and cost of living in your hometown of New York City are a great deal different from working conditions and living conditions and cost of living in my hometown of Madison, S. Dak.? A minimum wage, it seems to me, that is going to be equitable, and a minimum wage that is going to take care of the needs of New York City, would have to be a minimum wage which recognized zones or regions or areas. If not, it automatically has to be either too high in my part of the country or too low in your part of the country.

How do you propose to meet a situation of that kind?

Mr. McNIFF. Well, sir, I wouldn't really want to go into the minimum wage at this point because that is a rather long and involved discussion.

Senator MUNDT. One of the many problems that confronts labor, and one of the roadblocks which prevents labor from getting the kind of minimum wage which you feel would be an actual honest minimum wage in New York City is the tendency to look at the country as a whole and say, "Well, everybody has the same cost of living, everybody has the same problems as they have in New York City."

Such simply is not the case.

If we can ever get a concept of the national minimum wage which recognizes the Federal Reserve bank regions, zones, or something else, so that you deal equitably with the laborer wherever he lives, then some progress can be made. But there is this tendency to try to look at the whole country and say, "What is good for New York City is essential for the whole country."

That is not necessarily the case.

I have lived in New York City. I know the extra costs involved in living in New York City as compared with living in the Midwest, for example. I do not think that New York City should try to impose bankruptcy wages on the Midwest any more than the Midwest should try to impose sweatshop wage standards in New York City. But I think those of you who are leaders in labor and interested in the workingman wherever he lives should recognize the complex nature of this country and approach the problems by regions and by zones so that you deal equitably with the worker wherever he lives and not just pick out a theoretical schedule and say, "This is what we probably need in the Battery, so surely this is what they must also need in Madison, S. Dak."

Mr. McNIFF. All I would say is that it should correspond with the cost-of-living index, as arranged by zone.

Senator MUNDT. As arranged by zones?

Mr. McNIFF. Yes.

Senator MUNDT. That is what I have been saying.

The CHAIRMAN. Is there anything further?

Senator KENNEDY. When these Puerto Ricans get off the planes coming into New York, how do they get the job? Do they go to an employment agency?

Mr. McNIFF. Sometimes they do.

Senator KENNEDY. Is there any collusion between employers and employment agencies?

Mr. McNIFF. We worked quite a time on one. It was very difficult to investigate. That was all I could say. We do not have proof to the fact on employment agencies.

However, I will say that in one of the strikes that we ran, local 1648, on Morgan Leather Goods and Ruddee's Leather Goods shops on Greene Street, it was against the racket control by David Lustigman. When we were on strike at that shop, the workers went out on strike and then through the labor school heard of us and came to us for advice.

We kept them on strike. We helped them with the picket signs. While these people were picketing this racket union which was paying the low wages, that strike was broken, in part, by employment agencies licensed in New York City by the commissioner of license, Daniel O'Connor, who did nothing to help us, and the welfare department took people through the picket lines who needed jobs, and brought them right into the shop.

Senator KENNEDY. I am hopeful the Commissioner will be cooperative. I would think that when these Puerto Ricans arrive off these planes they are subject to exploitation immediately, particularly by the employment agency which might work with the corrupt union and manufacturer.

I understand also that sometimes they pay a \$25 initiation fee and then they are fired in 2 weeks, or they work a year to be given a vacation and just before vacation begins they are fired.

Mr. McNIFF. That is very often true.

Senator KENNEDY. In other words, if they are promised a week's vacation at Christmas, they work up to Christmas or 3 or 4 days before the vacation is to begin, and they are discharged?

Mr. McNIFF. Yes.

Senator KENNEDY. Do you have any cases of that?

Mr. McNIFF. I have many cases of that. I couldn't give it to you offhand, but I have it in the files.

Senator KENNEDY. The last point is this: You have been in many of the shops where these people work. What are the working conditions like as far as toilet facilities, lighting, air, and so on? Are they sweatshops?

Mr. McNIFF. I would think it would shock a great number of people if they did two things: First, visited the factories that these people work in and then visit the homes that they pay good rent to live in.

Senator KENNEDY. Good rent?

Mr. McNIFF. Very good rent. Twenty dollars a week is not exceptional for one room.

Senator KENNEDY. The Bureau of Labor Statistics found recently that it cost \$52 a week, roughly, for a single woman to live in New York City on a minimum basis. You make the point that many of these people get \$42 and they have to deduct something for families. Do they have families?

Mr. McNIFF. Most of them have families.

Senator KENNEDY. Obviously, they are all living on the thin edge. I hope someone who is in a position of responsibility in New York City will visit these shops. I am hopeful you will cooperate with them and go through them and check them for these matters of working conditions, lighting, toilet facilities, and so on, which I understand are very bad.

Mr. McNIFF. Yes, sir.

Senator MUNDT. In that connection, you said about \$40 a month for a single room in New York City?

Mr. McNIFF. Not \$40 a month; no. Twenty dollars a week for a single room. I have seen that often.

Senator MUNDT. That would be 50 percent of their income.

Mr. McNIFF. Yes.

Senator MUNDT. The people with families do not live in a single room, do they?

Mr. McNIFF. Often they do.

Senator MUNDT. With families?

Mr. McNIFF. Yes.

Senator MUNDT. What would they have to pay in New York City to live in what you would call reasonable living conditions, either an apartment with a suite of rooms or a home, where a family is supposed to live? What would they have to pay?

Mr. McNIFF. Well, it is such a big problem of housing in New York City. To begin with, you don't have enough apartments. The public is always slow to help public housing, which is desperately needed. The people who own these slums are certainly not going to assist in their destruction.

I would say to live decently in New York you could do it on \$20 a week, you could do it on \$80 a month, which would even be a little less, for rent. However, you will come across the discrimination barrier.

Senator MUNDT. In New York State? My, my. Is there discrimination there? I thought they were the gilded white lily.

Mr. McNIFF. Right now in the city council, they are trying to pass an antibias law, housing law.

Senator MUNDT. Is there not a State law against discrimination in New York? I have been hearing a lot about a State law.

Mr. McNIFF. Not in housing.

Senator MUNDT. Not what?

Mr. McNIFF. Not in housing.

Senator MUNDT. Not in housing?

Mr. McNIFF. No.

Senator MUNDT. It is in hotels, but not in private homes?

Mr. McNIFF. In public places. That is one step, to try and allow Puerto Ricans—

Senator MUNDT. Do they have zones up there where certain colors, where certain national groups have to live in areas?

Mr. McNIFF. No; it is rather fluid.

Senator MUNDT. It is what?

Mr. McNIFF. It is very fluid. You will find in one block Irish, Italians, Jews, Puerto Ricans, and Negroes.

Senator MUNDT. I would think that New York City would be fair game for our eager-beaver Supreme Court to work on. Certainly that must be a violation of the Constitution or violating something.

Mr. McNIFF. I would think New York City itself in that antibias law is taking a very good step. I hope it is passed. Of course, the real-estate interests have much power.

Senator MUNDT. I gathered from your statement you felt that public housing was the only solution to the substandard living conditions.

Mr. McNIFF. Not the only, but it is very big.

Senator MUNDT. In other words, if you are going to perpetuate substandard wages, then probably substandard housing become a necessity. If employers, unions, and the rest, work to give a man a regular, respectable working wage, then the pressure is off on public housing, because private realtors would build houses and apartments and people could afford to pay respectable rent. Is that correct?

Mr. McNIFF. I wouldn't say it is an either-or situation. First of all, you have the crowding. That is one of the reasons. Even if the person was earning, a Puerto Rican earning, \$65 a week, he has to live in the same slums because of the crowded conditions, because the antibias legislation has not yet been enacted and endorsed. Not only should we have public housing, but many unions have housing.

Senator MUNDT. I think you might explain to a country boy from South Dakota just why my poor depressed farmers back home should pay extra taxes to build public housing in the city of New York so they could continue to practice discrimination, which they vote against in Congress and practice at home. It is confusing to me. I have to explain this to the folks back home where we have no substandard living and no discrimination.

Mr. McNIFF. This is the whole thing of the interrelatedness of the Nation, sir. I couldn't at this point go into a discussion of why one region should help another region. I have not prepared myself that much.

Senator MUNDT. I am not trying to get you out on a theoretical basis on all the complications we have in the economy. I am simply trying to point out that in my opinion as you move away from discrimination in New York State and New York City, and as you move away from substandard wages in New York City, you also move away from the necessity of shouldering off on the general taxpayer a responsibility for building houses, because once people have income,

and once there is no discrimination, private capital is always willing, eager, and able to build apartments and homes to rent to people who have the money to pay for them.

Mr. McNIFF. I would say so.

The CHAIRMAN. Thank you very much, sir.

The Chair joins with the other members of the committee in expressing appreciation and commending you for your testimony.

Mr. McNIFF. Thank you, sir. I wish to thank the committee for its kind attention while I spoke.

The CHAIRMAN. Call the next witness, Counsel.

Mr. KENNEDY. Bertha Nunez.

The CHAIRMAN. Will you be sworn, please?

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Miss NUNEZ. I do.

TESTIMONY OF BERTHA NUNEZ, ACCOMPANIED BY COUNSEL, ROBERT S. PERSKY

The CHAIRMAN. State your name, your place of residence, and employment.

Miss NUNEZ. My name is Bertha Nunez. I work for Century Products Works, 2926 White Plain Road. I started to work in Century on March 18, 1955. We don't know how this union came into the shop.

The CHAIRMAN. Just one moment, please.

Counsel, are you appearing to advise her?

Mr. PERSKY. Yes, sir.

The CHAIRMAN. The record will reflect the same counsel appearing for her as appeared for the previous witness.

Now you may proceed. Go ahead and tell us your story.

Mr. KENNEDY. Would you tell a little bit of your background, first, where you were born?

Miss NUNEZ. I was born in Honduras, Central America. I am 27 years old. I want to give you a story on how everything was started.

Mr. KENNEDY. Could you tell when you came to this country? How long ago did you come?

Miss NUNEZ. I have been in this country 4 years.

Mr. KENNEDY. You learned English once you got here?

Miss NUNEZ. Well, yes; I learned some.

Mr. KENNEDY. And then you went to work for this company?

Miss NUNEZ. Then I started to work in Century March 18, 1955.

Senator MUNDT. Would you tell us how you first got your first job?

Miss NUNEZ. I worked in other shops before. My third job over here was in Century Products.

Senator MUNDT. I am interested in how you got your first job when you first came to this country. Was it through some relative, a friend of yours, or how?

Miss NUNEZ. I went to an agency, and I paid \$12 to buy my job, and I took the first job that way.

Senator MUNDT. For \$12?

Miss NUNEZ. \$12, yes. But I know now some other way. In the shop I work right now, the company were with the agencies, and the

workers have to pay \$17 to buy the work, and sometimes they just work for 1 month, and then later they fire them.

Mr. KENNEDY. They pay \$17?

Miss NUNEZ. \$17 for the shop, for the job.

Mr. KENNEDY. The worker pays that to the employment agency?

Miss NUNEZ. To the employment agency.

Mr. KENNEDY. And they work just a month and they are fired?

Miss NUNEZ. And then they are fired.

Senator MUNDT. How does the worker pay it? Is it in cash, or do they take it out of the first month's wages?

Miss NUNEZ. If they have the money, they pay cash. If they don't, so they pay by terms. Most of the workers in that shop, they go for the agency.

Mr. KENNEDY. How much were you making in your first job when you came here?

Miss NUNEZ. When I came here I was making \$32. That was the first shop I had, the first job I had. But when I start to work for Century, I was making \$36, and then was when the union came in. I think I am going to give you the story first on how the union came in?

Mr. KENNEDY. How many employees do you have in Century?

Miss NUNEZ. We have 150 employees. All are Spanish, most of them.

Mr. KENNEDY. What?

Miss NUNEZ. Ninety percent are Spanish workers.

Mr. KENNEDY. Ninety percent are Spanish workers?

Miss NUNEZ. Yes.

Mr. KENNEDY. Out of the 90 percent that are Spanish workers, how many speak English?

Miss NUNEZ. About 4 percent.

Mr. KENNEDY. Four percent?

Miss NUNEZ. Yes.

Mr. KENNEDY. So very few workers speak English, is that right?

Miss NUNEZ. Yes. A few of them speak English. Most of them don't know how to speak English. Most of them are Puerto Ricans, Most all of them are Puerto Ricans.

Mr. KENNEDY. When you first came there, you were making \$36?

Miss NUNEZ. Thirty-six dollars.

Mr. KENNEDY. In 1955?

Miss NUNEZ. Yes, in 1955. And 1956 was when the union came in, and I got a raise of \$38, but I have to pay \$4 a month dues.

Mr. KENNEDY. You got a raise up to \$38?

Miss NUNEZ. But I have to pay the \$4 a month dues.

Mr. KENNEDY. Four dollars a month in dues, is that right?

Miss NUNEZ. Yes.

Mr. KENNEDY. When the union came in, what union was it that came in?

Miss NUNEZ. Well, it was the Allied Industrial Workers.

Mr. KENNEDY. Allied Industrial Workers?

Miss NUNEZ. Yes.

Mr. KENNEDY. Local number what?

Miss NUNEZ. Two hundred and fifty.

Mr. KENNEDY. Did you have a vote amongst the employees as to whether you wanted the union?

Miss NUNEZ. No.

(At this point, Senator Kennedy withdrew from the hearing room.)

Miss NUNEZ. One day before they told all the workers to stay in the shop after 4:30 because the union was coming to talk to the workers. So most of the workers stayed in the shop, and later on two delegates from local 250, Neil Levin and Albert, I think it is, a Spanish organizer for local 250, Levin spoke to us.

Mr. KENNEDY. There were two organizers that came in?

Miss NUNEZ. Yes.

Mr. KENNEDY. One was Spanish, Alvarez?

Miss NUNEZ. And the other one was Neil Levin.

Mr. KENNEDY. And then the foreman for the employer told you you would have to stay afterwards?

Miss NUNEZ. The foreman told the workers we would have to stay because the union was coming to talk to us. So then Neil Levin spoke to us and he promised wage increases, benefits, and a lot of things. Then most of the workers refused to join local 250, but they talked to us, Neil Levin talked to us, if we don't join local 250 we are going to be fired.

So then everybody——

Mr. KENNEDY. You were told that the employer would fire you unless you joined the union?

Miss NUNEZ. Yes.

Mr. KENNEDY. Go ahead.

Miss NUNEZ. So then everybody has to join local 250.

Mr. KENNEDY. What was the initiation fee for the local?

Miss NUNEZ. The initiation fee was \$1 a week.

Mr. KENNEDY. That was the dues. Did you have to pay any initiation fee when you first came in?

Miss NUNEZ. No; the initiation fee was \$15 and some persons they were forced to pay \$18 and \$20, you see, because sometimes they take the dues in the first month and they pay \$15. So sometimes they fired the workers. They give layoffs to the workers. When they come back to work, they start to take the book again, so they pay \$18 or \$20 for a book.

Mr. KENNEDY. The initiation fee was \$15, \$18, or \$20?

Miss NUNEZ. Yes.

Mr. KENNEDY. Some workers paid \$20, some paid \$18 and some paid \$15?

Miss NUNEZ. Yes.

Mr. KENNEDY. And after they paid, some of them were fired?

Miss NUNEZ. Yes.

Mr. KENNEDY. And they might have been rehired and they would have to pay the initiation fee all over again?

Miss NUNEZ. Yes.

Mr. KENNEDY. And in addition to that, you paid your dues, is that right, of \$1 a week?

Miss NUNEZ. Yes.

Mr. KENNEDY. When the organizer was there from local 250, was the employer there at the same time?

Miss NUNEZ. The employer, the boss, Mr. Klein, and the foreman, Walter, they were present all the time with us, and Walter, the foreman, he helped Neil to sign the cards.

Mr. KENNEDY. He was present when it was announced to the workers?

Miss NUNEZ. Yes, he was present.

Mr. KENNEDY. When he announced that unless they joined the union they would be fired?

Miss NUNEZ. Yes, they were present.

Mr. KENNEDY. The employer was there at the time?

Miss NUNEZ. Yes, the boss.

Mr. KENNEDY. The union organizer had gone in and talked to the employer prior to the time he talked to you?

Miss NUNEZ. Yes.

Mr. KENNEDY. Would you continue, then?

You all joined the union at that time? Did you get a copy of your contract?

Senator MUNDT. Would you bring out what this meant in terms of wages? Did they get more wages or less wages?

Mr. KENNEDY. You got a raise to \$38 a week?

Miss NUNEZ. That is what I said before. I was making \$36, and they give me \$38, and I have to pay \$4 a month dues.

Senator MUNDT. So you came out \$1 a week raise?

Miss NUNEZ. Yes, and the next raise we got was when the \$1 minimum Federal wage came out, to make \$40.

Mr. KENNEDY. In addition to the \$1 a week, you mentioned the \$15, \$18 or \$20 that you had to pay initially.

Miss NUNEZ. Yes.

Mr. KENNEDY. Did you get a copy of the contract that was signed?

Miss NUNEZ. Nobody saw the contract. We always asked to see the contract, but they never wanted to show it to us. One day a girl, she grabbed it from Levin's hands.

Mr. KENNEDY. She grabbed it?

Miss NUNEZ. Yes.

Mr. KENNEDY. She grabbed it out of Levin's, the organizer's hands?

Miss NUNEZ. Yes, and she say that much of the contract would be inked out.

Mr. KENNEDY. That many of the provisions were inked out?

Miss NUNEZ. Yes.

Mr. KENNEDY. Did you understand that the contract that was to be signed for you was just to be for 1 year? Were you told that it was for 1 year?

Miss NUNEZ. Yes. In the summer 1955, when Neil give the cards, he say that it was going to be for a year contract, but then when he come again he told us that the contract is for 2 years. Before he say it was for 1 year, when he start to talk to us, to say did we want to join the union, but later they put it 2 years in the contract.

Mr. KENNEDY. Did you hear that there was any pension or welfare benefits in the contract?

Miss NUNEZ. They don't give nothing to us.

Mr. KENNEDY. No health or welfare?

Miss NUNEZ. No welfare, no benefits.

Mr. KENNEDY. Was there any arrangement made as far as seniority?

Miss NUNEZ. No. They do whatever they want with the workers. Some of the old workers they got fired, and they would give layoff to them. During the layoff time, they were taking new workers. I figure they take new workers because that way they start to pay dues again, and start with the union and everything.

Mr. KENNEDY. And then they get the initiation fee?

Miss NUNEZ. They get the initiation fee.

Mr. KENNEDY. So it wouldn't matter when they lay people off whether they had been there a long time or a short time?

Miss NUNEZ. It doesn't matter.

Mr. KENNEDY. Tell me, did the union ever process any grievances by the employees?

Miss NUNEZ. No. In the 2 past years, I know in local 250 we only have about 4 or 5 meetings. I went to those meetings, and Neil Levin, he sit at a table and then all the workers started to talk at once and nothing was accomplished, because everybody would talk at the same time. Somebody would call him a racketeer and then the meeting was ended.

Mr. KENNEDY. The meetings that you did hold or did attend, the workers started talking about their grievances?

Miss NUNEZ. Yes. He just sit at the table, you know, and he don't call attention to the workers. He start to talk to one or another one. That is not the kind of meetings we are supposed to have.

Mr. KENNEDY. Did the workers complain at that time about the fact that some of them had been there many years and were laid off?

Miss NUNEZ. We give the complaint to them, but they never did anything.

Mr. KENNEDY. What were the conditions in the shop itself that you work under?

Miss NUNEZ. In winter, the factory was unheated.

Mr. KENNEDY. Was what?

Miss NUNEZ. Unheated.

Mr. KENNEDY. It was not heated?

Miss NUNEZ. Yes. And then in winter, in December 1956, the factory was so cold one girl, I remember, she was pregnant, she asked for a few days off because of the cold and they refused it, the foreman refused to give her the days off, and then she contracted pneumonia and lost the baby. She asked the union for some benefits, but the union don't do anything.

Mr. KENNEDY. Were there any facilities at all to keep the plant warm in the wintertime?

Miss NUNEZ. I think so. If she wants to do something——

Mr. KENNEDY. Was it cold all the time in the winter?

Miss NUNEZ. One time everybody went home. Nobody would stay in the shop because it was so cold. Then it was the time when they start to fix the heats.

Mr. KENNEDY. What about in the summertime? Are the conditions difficult then?

Miss NUNEZ. In summertime, we have a lot of troubles right now. It is very hot, but one time they were going home again, and then the boss called me because I am the shift steward, he called me and say to me what he can do, all the workers want to go home.

Mr. KENNEDY. What was the reason they wanted to go home?

Miss NUNEZ. Because it is too hot, and they need some more fans. It is too hot in there and they can't work, so they want to go home. At that time, they promised us in 1 hour they are going to get some fans. So we waited the hour and they bring about four fans and now it is a little better.

Mr. KENNEDY. What about the working conditions themselves, other than being too cold in the winter and too hot in the summer?

What about the conditions under which you work as far as the work that you were doing?

Miss NUNEZ. Well, over there, they like to rush the people too much and they like to get all the orders and rush the people to make an extra work, and then later give layoffs to the workers because they rush too much.

Mr. KENNEDY. They would rush you through your work and then there would be layoffs.

Miss NUNEZ. Yes. They would give layoffs.

Mr. KENNEDY. What about vacation? Was there any stipulation as to what vacation you were to receive?

Miss NUNEZ. On the vacations, they would give layoffs or fire the people before the holidays or the vacations and then they don't want to give the vacations to the workers. That was the trouble we have right now.

Mr. KENNEDY. Just before you were to receive your vacation you would be fired?

Miss NUNEZ. No; they don't want to give the vacations. Before they would fire you.

Mr. KENNEDY. Before you would receive the vacation, you were fired from the job?

Miss NUNEZ. Laid off or fired. They never called them workers back again.

Mr. KENNEDY. Did you ever make a protest against this union, local 250 of the Allied Industrial Workers?

Miss NUNEZ. Well, yes.

In the first time, some of the workers went on the strike. That was the first time.

Mr. KENNEDY. When was that?

Miss NUNEZ. That was in November 1955.

Mr. KENNEDY. And you were striking against the union at that time?

Miss NUNEZ. Yes, they were striking against the union because they don't have no benefits, and they were tired of paying dues and getting nothing. So they write to the National Labor Relations Board, but they were told that because of the contract bar rule they can't obtain the certification election. Therefore, we have to remain and stay in local 250.

Mr. KENNEDY. So you had to go back and stay?

Miss NUNEZ. And stay with local 250, yes. We went that way for a few months, but we always keep complaining to the local and they never did anything.

They would fire the people.

So one day we tried to do something and I went to El Diario.

Mr. KENNEDY. To whom?

Miss NUNEZ. To the Spanish paper. We need some help, so we went to the Labor Relations Board first and they couldn't do anything, so the workers went on strike, in November 1955. So they make a strike.

The boss promised the workers 5 cents raise, so the workers come back to work again.

That was the first strike they have.

At the next time, I was the one who started everything. I say to you, we need some help, and I went to El Diario.

Mr. KENNEDY. That is the Spanish paper?

Miss NUNEZ. Yes, for help.

Mr. KENNEDY. You went to them after November 1955 when you struck against the union?

Miss NUNEZ. No, that was——

Mr. KENNEDY. Wait a moment. In November 1955, you went on strike against the union?

Miss NUNEZ. That was the first strike.

Mr. KENNEDY. Then you went to the National Labor Relations Board and they were unable to help you because of the technicality in the law, is that right?

Miss NUNEZ. Yes.

Mr. KENNEDY. So you went back to work and at that time the employer gave you 5 cents an hour increase in wages?

Miss NUNEZ. Yes.

Mr. KENNEDY. So you continued for awhile and then you decided, speaking for the rest of the employees——

Miss NUNEZ. I was the leader.

Mr. KENNEDY. You were the leader and you decided to go to the Spanish newspapers?

Miss NUNEZ. Yes. I went over there and asked for help. We made a group of about 20 persons. Jose Roman——

Mr. KENNEDY. Who is he, the editor?

Miss NUNEZ. He is a reporter, I guess.

Mr. KENNEDY. R-o-m-a-n?

Miss NUNEZ. Yes. He sent us to the Association of Catholic Trade Unionists.

So we start to work the first week with small groups, and later they introduced to us the organizer for 485. So then we have an agreement with the National Labor Relations Board for elections, but we still have to pay the dues to 362. That is what I don't understand myself.

Mr. KENNEDY. We are ahead. You had local 250?

Miss NUNEZ. Yes.

Mr. KENNEDY. And then, this time, did you have any general organizational meetings of the local?

Miss NUNEZ. Yes. We started to have a lot of meetings.

Mr. KENNEDY. No, I mean, did the union call any, did your union, 250, the gangster union?

Miss NUNEZ. Yes. They called a meeting. But that time, George Knight and Neil Levin called a meeting, but nothing was done.

(At this point, Senator Kennedy entered the hearing room.)

Mr. KENNEDY. Subsequently, in 1956, did they come along and attempt to transfer you from 250 to 362 of the teamsters?

Miss NUNEZ. They may call it transfers, but they never say anything to the workers, just the company and the unions, they make the transfers.

Mr. KENNEDY. So you were transferred from local 250?

Miss NUNEZ. From local 250, yes, I was transferred to local 362 of the teamsters.

Mr. KENNEDY. She went to 362 of the teamsters, which originally had no members at all, Mr. Chairman.

You will notice on the chart that the officers of 250 originally went to 258 of the teamsters, and then they all transferred subsequently

into 362, and brought the shops. You can see from the lines they also brought some of the shops from 250 down into 362.

You were transferred. Were you ever consulted, were the employees ever consulted, about whether they wanted to transfer to the teamsters?

Miss NUNEZ. They never say anything to us. One time Mr. Klein, the boss, called me to his office and he told me that no one in another local is going to represent the workers than 362, that that was the union we were supposed to have now. That was when we went to the National Labor Relations Board, and we agree that we have an election. We win and local 485 got 106 votes.

Mr. KENNEDY. We will get into that.

You were transferred to 362?

Miss NUNEZ. Yes.

Mr. KENNEDY. And then you were still objecting because there was no increase in wages, and the working conditions remained the same?

Miss NUNEZ. Yes.

Mr. KENNEDY. You weren't able to have any of your grievances processed?

Miss NUNEZ. Nothing at all.

Mr. KENNEDY. The older employees were still being fired?

Miss NUNEZ. Yes.

Mr. KENNEDY. There was no attention paid to seniority?

Miss NUNEZ. None.

Mr. KENNEDY. And you could never get in touch—

Miss NUNEZ. We were having about a year without a raise.

Mr. KENNEDY. Without a raise?

Miss NUNEZ. Yes.

Mr. KENNEDY. And you couldn't get in touch with your union representatives; is that right?

Miss NUNEZ. No. We used to call the local and nobody would answer.

Mr. KENNEDY. Did you decide to strike again, to try to get a different union?

Miss NUNEZ. Yes.

Mr. KENNEDY. At that time, through the suggestion of ACTU, did you go to local 485?

Miss NUNEZ. Yes.

Mr. KENNEDY. 485 is—

Miss NUNEZ. I went to 485 IUE-CIO.

Mr. KENNEDY. You went to 485 of the IUE?

Miss NUNEZ. Yes, of the CIO.

Mr. KENNEDY. Were you able, then, to get permission to have a strike and have an election in the plant?

Miss NUNEZ. Yes. We have a strike. We were working with them for 7 months, and we have on a strike, and the strike was about 5 minutes, because then the bosses agreed with the 485. After that was when we went to the National Labor Relations Board.

Mr. KENNEDY. Then was there an election held in June of 1957?

Miss NUNEZ. The election was on June 24, 1957.

Mr. KENNEDY. June 24, 1957?

Miss NUNEZ. Yes, sir.

Mr. KENNEDY. And the election was whether you would have local 362 of the teamsters, 485 of the IUE, or no union at all; is that right?

Miss NUNEZ. Yes.

Mr. KENNEDY. Do you remember what the election results were?

Miss NUNEZ. Yes. We got for 485, 106 votes.

Mr. KENNEDY. 106 votes for 485?

Miss NUNEZ. Yes. And for no union we got 1 vote, and for 362 they got nothing, the racketeers.

Mr. KENNEDY. The racketeers got nothing?

Miss NUNEZ. Yes.

Mr. KENNEDY. The IUE of local 485 got 106 votes, no-union vote was 1, and local 362 of the teamsters was no vote?

Miss NUNEZ. That is right.

Mr. KENNEDY. Did the same people that represented 250 of the Allied Industrial Workers also represent 362 of the teamsters?

Miss NUNEZ. Yes.

Mr. KENNEDY. Is that correct?

Miss NUNEZ. They were before the automobile workers, and then with the Allied Industrial Workers, and then was the teamsters, 362. But the same delegates were all the time in the three unions.

Mr. KENNEDY. You spoke about the employer of Century Products, that he was anxious to have you get into 250 of the Allied Industrial Workers. What was his position toward 485 of the IUE?

Miss NUNEZ. He told me that—

(The witness conferred with her counsel.)

Mr. PERSKY. She wants the question repeated.

Mr. KENNEDY. I was wondering about the position of the employer. Was he against you going into any other union? While he was for you going into 250 of the Allied Industrial Workers, what was his position toward the employees going into some other union?

Miss NUNEZ. He called me to his office and he promised to me wage increases or he is going to see that I am a floorlady, if I stop fighting local 250.

Mr. KENNEDY. He called you into his office and promised you an increase in wages and told you that he would make you floorlady if you would stop fighting local 250?

Miss NUNEZ. Yes. So I told him "No, I can't do it," because I was representing the workers and I want to try to do something for them.

Mr. KENNEDY. Did he tell you that he would close the shop?

Miss NUNEZ. Yes. He told me that if another local than 250 came to the shop he was going to close the shop or he was going to move or anything like that.

Mr. KENNEDY. He was going to close the shop if any other local came in other than 250, or he was going to move?

Miss NUNEZ. Yes. One time in front of the shop I went out to the shop, and there was Neil Levin there. I call him a racketeer, because he would just go to the company when he had to get the dues, but he never spoke to the workers. He would always go at the time when he would have to get the money.

Mr. KENNEDY. He came in to get the dues, but he never addressed the workers?

Miss NUNEZ. Never address the workers.

Mr. KENNEDY. The only contact in your shop between the union and the shop was between the employer and the union, not between the employees and the union?

Miss NUNEZ. That is it.

That day I went out, and I called him a racketeer. He was talking with the foreman. So he say to me that I was going to be sorry for what I was doing.

Mr. KENNEDY. What did he say to you? This is the foreman?

Miss NUNEZ. No. Neil Levin told me that. I called him a racketeer, and I told to him how come any time he come to the shop he never spoke to the workers, he always go to the office. I call him a racketeer, and he say to me that I was going to be sorry for what I was doing. But I never was afraid. I told him he was going to be sorry.

Mr. KENNEDY. Did you have any conversations with the foreman about what you were doing?

Miss NUNEZ. No. They used to talk to me sometimes, and they say to me to think about what I was doing because somebody was trying to hurt me or something like that.

Mr. KENNEDY. The foreman said to you that you would be sorry for what you were doing?

Miss NUNEZ. Well, he told me, too, the same thing that Neil Levin told me, that maybe someday somebody is going to hurt me.

The CHAIRMAN. It appears that we cannot conclude with this witness before lunch. We would probably have to run sometime longer.

Therefore, we will recess until 2 o'clock.

You will return at 2 o'clock.

The committee stands in recess.

(Whereupon, at 12:25 p. m., the committee recessed, to reconvene at 2 p. m., the same day.)

(Members present at the taking of the recess: Senators McClellan, Kennedy, and Mundt.)

AFTERNOON SESSION

The CHAIRMAN. The committee will be in order.

(Members of the select committee at the convening of the session: Senators McClellan, Ives, and Curtis.)

The CHAIRMAN. Senator Ives has a message he wishes to read.

Senator IVES. Mr. Chairman, I have received a telegram from one of my constituents which I should like to read because I think it has a direct bearing on what we are doing, and I assume that you may want to make a statement concerning it as chairman.

It reads as follows:

Am watching on TV present proceedings Select Commission on Union Affairs. No one asks who are the employers dealing with alleged racket-controlled unions. Suggest you ask right after lunch today.

Well, I think the answer why that is not being clarified in each instance is perfectly clear. I will turn this over to the chairman because I think it is more proper for him to make the answer.

TESTIMONY OF BERTHA NUNEZ, ACCOMPANIED BY HER COUNSEL, ROBERT S. PERSKY—Resumed

The CHAIRMAN. The witness who is testifying presently I think, stated the name of her employer.

Did you state where you worked this morning?

Miss NUNEZ. Yes.

The CHAIRMAN. I have forgotten the name of it. What is the name of the company?

Miss NUNEZ. Century Products Works, Inc.

The CHAIRMAN. What do they manufacture, or what do they produce?

Miss NUNEZ. Electrical appliances.

The CHAIRMAN. You have testified here this morning that your employer is in collusion with these union racketeers. That is what you testified and that is the effect of your testimony. The Chair will say that there is no disposition whatsoever on the part of any member of this committee to withhold the name and the identity of any employer who may conspire with labor racketeers or others to deprive working people of their rights and benefits to which they are entitled.

Now, we did have on the stand, and I wonder if he is here this morning, and it is difficult for us to remember everything that we might—the witness, Mr. McNiff. Is he present?

We could recall him and ask him to name some of the employers.

Senator CURTIS. Mr. Chairman, right in that connection, do you know who is the head of the company for whom you work?

Miss NUNEZ. I think you mean the principal in the company?

Senator CURTIS. The manager or president or whoever seems to be in charge of running things for that company.

Miss NUNEZ. Yes; Mr. Sam Klein.

Senator CURTIS. Will you spell the last name?

Miss NUNEZ. K-l-e-i-n.

Senator CURTIS. What was the first name?

Miss NUNEZ. Sam, S-a-m.

The CHAIRMAN. Incidentally, I see counsel is present who was present with Mr. McNiff this morning.

Do you have the names of any of those employers that he referred to?

Mr. PERSKY. The Association of Catholic Trade Unionists will be glad to supply the names of all of the employers mentioned in Mr. McNiff's statement. I am not prepared at this time to give you a written list, but it will be forwarded to the committee.

The CHAIRMAN. The list will be received and announced, and placed in the record. It will be received under oath just as the testimony was received this morning and since he was the witness and was sworn, let Mr. McNiff send it to us.

Senator IVES. Mr. Chairman, in that connection, it seems to me that the list should be made public.

The CHAIRMAN. I said I would read the list when we received it.

Senator IVES. All right.

The CHAIRMAN. I want to receive the list under oath. We do not want to do someone an injustice when we are talking about people. We want to have the witness under oath.

Mr. KENNEDY. I might say that the ACTU organization has put out a booklet consisting, I believe, of about 75 or 80 pages, giving various examples of the type of thing that was discussed this morning.

It might be that you would want to make this booklet a part of the record for reference, at least. I think it bears particularly on the problem that we have been discussing.

The CHAIRMAN. This is a pamphlet put out by the Association of Catholic Trade Unionists. That may be made "Exhibit No. 8" for reference.

(The document referred to was marked "Exhibit No. 8" for reference and may be found in the files of the select committee.)

The CHAIRMAN. All right, we will proceed.

Mr. KENNEDY. I think we have just about finished with Miss Nunez. I just wanted to bring her back and thank her for coming down, and express my appreciation for her help.

The CHAIRMAN. Is there anything further that you think of that you might testify to that you did not tell this morning?

Miss NUNEZ. No; I think that is all. I think that I am finished.

The CHAIRMAN. You think you have finished?

Miss NUNEZ. Yes, sir.

The CHAIRMAN. The committee thanks you very much for your attendance and for the help you have given.

Miss NUNEZ. I want to thank you all myself for letting me appear in this meeting.

The CHAIRMAN. You may stand aside.

Who is the next witness?

Mr. KENNEDY. Mr. Mario Montalvo.

The CHAIRMAN. Do you solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MONTALVO. I do.

TESTIMONY OF MARIO MONTALVO, ACCOMPANIED BY HIS COUNSEL, ROBERT S. PERSKY

The CHAIRMAN. State your name and your place of residence and your present employment or business.

Mr. MONTALVO. I was born in Puerto Rico and I came here in 1946.

The CHAIRMAN. Give your name and where you now live.

Mr. MONTALVO. My name is Mario Montalvo, and I live at 60 Stanhope Street, Brooklyn.

The CHAIRMAN. What is your present occupation?

Mr. MONTALVO. I was hired as a foreman at the Del Pen Co.

The CHAIRMAN. The Chair regrets to announce there is a rollcall, and members of the committee have other duties besides holding these hearings, and we have a duty to vote. We will take a recess for a few minutes until we can return.

(Thereupon, a brief recess was taken.)

The CHAIRMAN. The committee will be in order.

(Members of the select committee present: Senators McClellan, Ives, and Curtis.)

The CHAIRMAN. Did you state where you are now employed?

Mr. MONTALVO. I work now at the Del Pen Co., 141 West 24th Street, New York.

The CHAIRMAN. That is the Del—D-e-l—Penn Co., 141 West 24th Street, New York?

Mr. MONTALVO. That is right.

The CHAIRMAN. Let the record reflect that the same counsel appears with the witness.

That is a pen-assembly plant?

Mr. MONTALVO. Yes.

Mr. KENNEDY. Now, you were born in Puerto Rico. How old were you when you came to the United States?

Mr. MONTALVO. Twenty-one years old.

Mr. KENNEDY. And where did you go to when you came to the United States?

Mr. MONTALVO. I went to Flemington, N. J.

Mr. KENNEDY. And how old are you now?

Mr. MONTALVO. Thirty-two years old.

Mr. KENNEDY. Then you moved from New Jersey to New York City?

Mr. MONTALVO. That is right.

Mr. KENNEDY. How long ago?

Mr. MONTALVO. Eleven years.

Mr. KENNEDY. And you started working in New York City?

Mr. MONTALVO. Yes, sir.

Mr. KENNEDY. In your first job in New York City, how much were you making then?

Mr. MONTALVO. \$33.60.

Mr. KENNEDY. How much money are you making now?

Mr. MONTALVO. \$58 a week.

Mr. KENNEDY. Now, from October 15, 1956, to about December 25, 1956, were you employed?

Mr. MONTALVO. I was working at Miro Pen Co., 561 Broadway, New York City.

Mr. KENNEDY. What did they make there?

Mr. MONTALVO. All writing instruments.

Mr. KENNEDY. How many employees or how many workers were there?

Mr. MONTALVO. About 160 people.

Mr. KENNEDY. And were most of them Puerto Rican extraction?

Mr. MONTALVO. About 45 percent, and the rest Negro.

Mr. KENNEDY. And the rest of them were Negro?

Mr. MONTALVO. Yes, sir.

Mr. KENNEDY. About 45 percent were Puerto Rican, and the rest of them were Negro; is that right?

Mr. MONTALVO. Yes, sir.

Mr. KENNEDY. You were hired at that job as a foreman?

Mr. MONTALVO. Yes.

Mr. KENNEDY. And you were hired at \$60 a week?

Mr. MONTALVO. Yes.

Mr. KENNEDY. Now was there a union at that shop when you came to work?

Mr. MONTALVO. Yes; Local 250 of the Allied Industrial Workers.

Mr. KENNEDY. Mr. Chairman, that is one of the unions that we were interested in, and it was formed by Mr. Johnny Dio in October 14, 1952.

Now, what was the average pay of the employees at the shop?

Mr. MONTALVO. About 90 percent, \$40 a week, \$1 an hour.

Mr. KENNEDY. \$1 an hour?

Mr. MONTALVO. Yes, sir.

Mr. KENNEDY. And did you learn how the shop became organized?

Mr. MONTALVO. Yes. I learned from a steward.

Mr. KENNEDY. The shop steward told you how it was organized?

Mr. MONTALVO. Yes, sir. One day James Iscola came into the shop.

Mr. KENNEDY. He was the organizer for local 250?

Mr. MONTALVO. Yes, sir, and he went into the office and spoke with the bosses.

Mr. KENNEDY. That was Mr. Morgan?

Mr. MONTALVO. Yes, sir, and there was a conference for about three-quarters of an hour, and then later he called one of the workers, Johnny, and he told him, "There is a union in the shop." He gave a local 250 card, and a working paper, and they signed cards and working hours.

Mr. KENNEDY. So the employer received the cards from the union organizer, Iscola, and then came out and had the cards distributed among the workers and told them that there was a union going to be in the shop now, and that they were all to sign the cards. Is that right?

Mr. MONTALVO. Yes, sir.

Mr. KENNEDY. How much was the initiation fee of the union?

Mr. MONTALVO. \$10 initiation fee.

Mr. KENNEDY. And how much was the dues?

Mr. MONTALVO. \$1 a week.

Mr. KENNEDY. Did everybody have to pay the initiation fee and the dues?

Mr. MONTALVO. No. Some workers did not have to join the union.

Mr. KENNEDY. The favorites of the boss, special employees, they did not have to pay the initiation fee or the dues; is that right?

Mr. MONTALVO. That is right.

Senator IVES. May I ask a question? Was your employer in any way involved in this?

Mr. MONTALVO. Will you repeat the question again, please?

(The witness consulted with his counsel.)

Mr. MONTALVO. Yes.

Senator IVES. Did he make the deal himself?

Mr. MONTALVO. Yes.

Senator IVES. He made the deal, your employer?

Mr. MONTALVO. Yes.

Senator IVES. He made you join, that is it, your employer?

Mr. MONTALVO. Yes, sir.

Senator IVES. I am talking about your boss. He is the one who made the deal for you with the union? Your boss made the deal?

Mr. MONTALVO. Yes.

Senator IVES. And you had a checkoff, did you? You had your dues deducted from your pay by your employer, by your boss?

Mr. MONTALVO. Well, I never joined the union.

Senator IVES. You never joined?

Mr. MONTALVO. Because I was a foreman.

Senator IVES. You were the foreman?

Mr. MONTALVO. Yes, sir.

Senator IVES. How about the members of the union? Do you know about them?

Mr. MONTALVO. Yes; the members of the union, they had to join.

Senator IVES. But what I am driving at is, did they have their dues taken out of their pay?

Mr. MONTALVO. Yes; that is right.

Senator IVES. Before they got their pay?

Mr. MONTALVO. Yes, sir.

Senator IVES. That was all agreed and arranged by the boss who made you join the union, and made them join the union?

Mr. MONTALVO. That is right.

Senator IVES. What is the boss' name?

Mr. MONTALVO. Mr. Morgan and Mr. Isadore.

Mr. PERSKY. There are two individuals involved. The first one's name is Mr. Morgan and the witness has said that the other one he calls Mr. Isadore, but does not know his last name.

Senator IVES. Thank you very much.

Mr. KENNEDY. The contract was signed between your boss and the union, and did you ever see a copy of the contract?

Mr. MONTALVO. One time I asked the boss for the contract and he told me he didn't have it.

Mr. KENNEDY. What is that again?

Mr. MONTALVO. I asked him about the contract and he told me that he didn't have it.

Mr. KENNEDY. You asked him for the contract and he told you that he did not even have it; is that right?

Mr. MONTALVO. That is right.

Mr. KENNEDY. Did any union official ever come in and talk to the employees?

Mr. MONTALVO. Never any unionman came around to talk to the workers.

Mr. KENNEDY. Do you have any idea, or did you learn what the terms of the contract were?

Mr. MONTALVO. Well, when Mr. Iscola came last summer, in 1956, he told the workers there were to be three paid holidays.

Mr. KENNEDY. Now, did you learn any of the other terms of the contract?

Mr. MONTALVO. No.

Mr. KENNEDY. Did you learn that there were any health or welfare benefits?

Mr. MONTALVO. No, sir.

Mr. KENNEDY. There were no health or welfare benefits?

Mr. MONTALVO. No, sir.

Mr. KENNEDY. Was there any process for serving your grievances?

Mr. MONTALVO. No, sir.

Mr. KENNEDY. Nothing like that. Was there any procedure for seniority?

Mr. MONTALVO. None. The boss was able to fire people anytime they want.

Mr. KENNEDY. Were there ever any general meetings of the members of the union?

Mr. MONTALVO. No meetings.

Mr. KENNEDY. When you say that the employer was free to fire any of the employees that he wished, did that ever happen, that he fired employees who had worked there a long period of time?

Mr. MONTALVO. Yes.

Mr. KENNEDY. Do you have any personal knowledge of that?

Mr. MONTALVO. Yes, sir.

Mr. KENNEDY. Did you as a foreman, were you ever instructed to fire anyone?

Mr. MONTALVO. Yes, sir. Every day they gave orders to fire people without any reason, just because they figured out they were smart men and later on they could make trouble.

Mr. KENNEDY. You say that he would have you fire the smart people in the plant who would make trouble for him?

Mr. MONTALVO. Yes, sir.

Mr. KENNEDY. And you would be forced to fire them; is that right?

Mr. MONTALVO. Yes, sir.

Mr. KENNEDY. Did you ever protest against this?

Mr. MONTALVO. Yes, 1 day I went on strike against them.

Mr. KENNEDY. You led a strike against this?

Mr. MONTALVO. Yes, sir.

Mr. KENNEDY. And what happened then, how long did the strike last?

Mr. MONTALVO. About 5½ hours, not even that long. About 3 or 4 hours.

Mr. KENNEDY. Did you picket the shop?

Mr. MONTALVO. Yes, sir.

Mr. KENNEDY. What did your signs say?

Mr. MONTALVO (quoting):

This is a racket shop, local 250 is Dio's local. Racket local must be destroyed.

Mr. KENNEDY. You had another sign saying—

Racket locals must be destroyed?

Mr. MONTALVO. That is right.

Mr. KENNEDY. And you walked up and down in front of your shop with that?

Mr. MONTALVO. Yes, sir.

Mr. KENNEDY. So you were striking against your own union; is that right?

Mr. MONTALVO. Yes, sir.

Mr. KENNEDY. And what did the employer say to you then? Did he say he would give you better wages?

Mr. MONTALVO. Well, for some people, for about 90 percent they got a \$2 increase.

Mr. KENNEDY. After you went on strike against your own union?

Mr. MONTALVO. Yes, sir; and 10 percent of the employees got a \$4 increase.

Mr. KENNEDY. And then you got more paid holidays?

Mr. MONTALVO. Six paid holidays.

Mr. KENNEDY. So you received six paid holidays?

Mr. MONTALVO. And the union dues were paid by the boss.

Mr. KENNEDY. Did any officer of your local 250 appear at the picket line, when you were picketing?

Mr. MONTALVO. No.

Mr. KENNEDY. Now, subsequently, after you led this strike against local 250, in the shop and the deal that had been made between the two, was your employment terminated and were you fired by your boss?

Mr. MONTALVO. Yes; 3 or 4 days before Christmas of 1956. He called me into the office and there was a policeman there. He told me because I don't trust the company and they don't trust me, I would have to leave.

Mr. KENNEDY. He said to you, because you did not trust the company and the company did not trust you, you would have to leave.

Mr. MONTALVO. Yes, sir.

Mr. KENNEDY. So did you leave then?

Mr. MONTALVO. They paid me off and the policeman escorted me out of the shop.

Mr. KENNEDY. The policeman escorted you out of the shop?

Mr. MONTALVO. Yes, sir.

Mr. KENNEDY. Then did you go to work for the Del Pen Co., at 141 West 24th Street?

Mr. MONTALVO. No; I went to work at that company the last week of February of 1956.

Mr. KENNEDY. In February after you left this other employment, you went to work in February of 1957 for the Del Pen Co.?

Mr. MONTALVO. That is right.

Mr. KENNEDY. 141 West 24th Street, New York?

Mr. MONTALVO. Yes, sir.

Mr. KENNEDY. That is a pen assembly plant; is that right?

Mr. MONTALVO. Yes, sir.

Mr. KENNEDY. How many workers are employed there?

Mr. MONTALVO. Fifteen employees.

Mr. KENNEDY. What was the average pay at that time?

Mr. MONTALVO. \$40 to \$42 a week.

Mr. KENNEDY. And was the plant organized at the time that you came to work for them in February of 1957?

Mr. MONTALVO. No, sir.

Mr. KENNEDY. Was there any attempt to organize the plant?

Mr. MONTALVO. Yes; on June 4, 1957, Mr. Iscola.

Mr. KENNEDY. The same one who had come from local 250?

Mr. MONTALVO. Yes, sir, and he went into the office and as soon as I saw him I recognized him, that he was for local 250.

Mr. KENNEDY. When you saw him come into the plant, he went into your boss' office and you recognized him as the same man that had represented local 250?

Mr. MONTALVO. That is right and this time he was representing local 362 of the teamsters.

Mr. KENNEDY. Once again local 362 is one of the teamster paper locals, and the shops of 250 ultimately came down into local 362 in June of 1956.

Now, what did you say or what did you do at that time?

Mr. MONTALVO. Well, the Del Pen Co. boss called three workers into the office and he told them he got a union for them and so he gave a card to us to sign, but they refused to sign the card.

Mr. KENNEDY. They refused? He brought them into the office and said he had a union for them to sign up with and they said, "We don't want to sign now. Why don't they call you into the office?"

So were you called in then?

Mr. MONTALVO. At that time I was working in the shop.

Mr. KENNEDY. He brought Mr. Iscola out into the plant and introduced him to all of the employees?

Mr. MONTALVO. Yes, sir.

Mr. KENNEDY. Then did Mr. Iscola speak to you?

Mr. MONTALVO. When he started to talk to the workers, I told him he is a racketeer.

Mr. KENNEDY. You told him he was a racketeer?

Mr. MONTALVO. Yes.

Mr. KENNEDY. You said they were all racketeers?

Mr. MONTALVO. Yes, sir.

Mr. KENNEDY. Did you make that statement in front of your fellow employees?

Mr. MONTALVO. Yes.

Mr. KENNEDY. When Iscola was speaking to them?

Mr. MONTALVO. Yes, sir.

Mr. KENNEDY. What did he say about that?

Mr. MONTALVO. He didn't say he was a racketeer and he negotiated a contract with the boss.

Mr. KENNEDY. He said what?

Mr. MONTALVO. He could help us to sign a contract with the boss.

Mr. KENNEDY. He could tell the boss to sign a contract?

Mr. MONTALVO. Yes, sir; I don't let no workers sign the card.

Mr. KENNEDY. You would not let any of your fellow employees sign the cards for local 362?

Mr. MONTALVO. I called him a racketeer, and I went back to work.

Senator CURTIS. May I ask, was your boss present during this conversation?

Mr. MONTALVO. Yes.

Senator CURTIS. He heard you call this union leader a racketeer twice?

Mr. MONTALVO. Yes, sir.

Mr. KENNEDY. Is there any union at Del Pen now?

Mr. MONTALVO. Yes, now is Local 485 of the IUE.

Mr. KENNEDY. How did they come into your plant?

Mr. MONTALVO. Well, the same night we no sign for the local 362 and I went to the Catholic Association.

Mr. KENNEDY. The Association of Catholic Trade Unionists?

Mr. MONTALVO. Yes, sir.

Mr. KENNEDY. And you had a talk with them?

Mr. MONTALVO. I explained to them what happened, and we set a meeting for the next evening with all of the workers for 485.

Mr. KENNEDY. Did you arrange a strike of your fellow employees?

Mr. MONTALVO. Yes, 5½ hours.

Mr. KENNEDY. You went out on strike for 5½ hours?

Mr. MONTALVO. Yes, sir.

Mr. KENNEDY. In order to become members of local 485 of the IUE?

Mr. MONTALVO. Yes, sir.

Mr. KENNEDY. Was that successful?

Mr. MONTALVO. We struck the shop for 5½ hours and then we were recognized.

Mr. KENNEDY. Did Mr. Felder—was he one of your employers?

Mr. MONTALVO. Yes, sir.

Mr. KENNEDY. He was the employer there?

Mr. MONTALVO. Yes, sir.

Mr. KENNEDY. Did he attempt to prevent you or dissuade you from joining up with 485 of the IUE?

Mr. MONTALVO. Yes. After the strike he called me into the office after work and he told me he would give me \$100 and a steady job for life.

Mr. KENNEDY. He said if you would not join 485 he would give you \$100 a week and a steady job for life?

Mr. MONTALVO. For life, if I talked to the other workers to throw out support of 485 and make them join the union, 362.

Mr. KENNEDY. If you would tell the workers to join local 362 of the teamsters and not to join local 485 of the electrical workers he would give you a job, \$100 a week, and the job would last for life; is that right?

Mr. MONTALVO. Yes, sir.

Mr. KENNEDY. What did you say to him?

Mr. MONTALVO. No. I said I am not a doublecrosser.

Mr. KENNEDY. You are not a doublecrosser?

Mr. MONTALVO. That is right.

Mr. KENNEDY. Now, 485 of the IUE is there at the present time?

Mr. MONTALVO. Yes, sir; that is right.

Mr. KENNEDY. Of the employees there, you have about 13 employees there.

Mr. MONTALVO. Now it is 7.

Mr. KENNEDY. How many of them are Puerto Rican?

Mr. MONTALVO. Six.

Mr. KENNEDY. Six out of the seven?

Mr. MONTALVO. Yes, sir, and the other is a Negro.

Mr. KENNEDY. That is all.

Senator IVES. I would like to ask the witness a question regarding any boss he ever had.

Do you know whether any of the bosses you ever had starting with the first one, who was Morgan—was that his name?

Mr. MONTALVO. Yes, sir.

Senator IVES. Do you know whether they paid any money to the leaders of these so-called unions?

Mr. MONTALVO. I don't know.

Senator IVES. You don't know anything about any of that, and you never heard anything of that kind; did you?

Mr. MONTALVO. No.

Senator IVES. Thank you.

The CHAIRMAN. What I would like to inquire about, did the union ever perform any service for the working people at those plants? I am talking about the first one, the first one from which you got fired. You got fired where you were working, sometime about Christmas?

Mr. MONTALVO. Yes, sir.

The CHAIRMAN. You were a foreman and you were not a member of the union?

Mr. MONTALVO. Yes, sir.

The CHAIRMAN. As a foreman, you had the opportunity to observe and to know if the union performed any service for the working people?

Mr. MONTALVO. Yes, sir.

The CHAIRMAN. Did it perform any service? Did the union then help the workers get any benefits whatsoever?

Mr. MONTALVO. The union never obtained anything for any of the workers.

The CHAIRMAN. Did they ever come around to see about their working conditions or make any effort to get them an increase in wages; or do anything?

Mr. MONTALVO. Never.

The CHAIRMAN. You have been in New York some 11 years?

Mr. MONTALVO. Yes, sir.

The CHAIRMAN. You worked at different places?

Mr. MONTALVO. Yes, sir.

The CHAIRMAN. I assume you know a lot of the people from your own country.

Mr. MONTALVO. Yes, sir.

The CHAIRMAN. Do you know where they work?

Mr. MONTALVO. Yes, sir.

The CHAIRMAN. You visit with them?

Mr. MONTALVO. Yes, sir.

The CHAIRMAN. Do you know of any of them that get any real protection from these racketeer unions?

Mr. MONTALVO. Yes; but right now in the Duro Pen Co. they have the same union.

The CHAIRMAN. They have what?

Mr. MONTALVO. The same union, and before they have 250, Allied Industrial Workers, and now they have the local 362 of the teamsters.

The CHAIRMAN. They have local 362?

Mr. MONTALVO. Yes, sir.

The CHAIRMAN. They have been able to get some benefits? How recently was that?

Mr. PERSKY. The witness misunderstood your question, and he would like to make a statement.

The CHAIRMAN. Proceed.

Mr. MONTALVO. No, they have no benefits. They have no benefits at Duro Pen.

Mr. PERSKY. He thought you were asking for similar situations and you were asking for situations which were dissimilar, and he did not understand that.

The CHAIRMAN. What I am trying to find out, is this a general practice up there with respect particularly to your people, and the Negroes who work in the same plants? In other words, they are pretty much forced to join a union, and your boss or the management simply puts you in a union, and tells you you have got to join, and yet you get no benefits from it?

Mr. MONTALVO. When anybody has to join the union, they always took the initiation fees.

The CHAIRMAN. I understand they took the initiation fees, but they were told they had to join the union by their boss.

Mr. MONTALVO. By the boss, surely.

The CHAIRMAN. And then after they once joined and paid their dues, the union gave them no service and did not help them in any way, is that correct?

Mr. MONTALVO. No, sir.

The CHAIRMAN. You got no help from them?

Mr. MONTALVO. The union was no help. They did nothing for us in the plant.

Senator IVES. I would like to ask the witness a question, following up what you are talking about.

You understand the word "rackets," don't you?

Mr. MONTALVO. Yes, sir.

Senator IVES. You know what a racket is?

Mr. MONTALVO. Yes, sir.

Senator IVES. Are most of the unions where your friends, the Puerto Ricans, work, and I am also talking about the colored people in the area of New York City where you live, are most of the unions where they work run by the rackets? Are they racket unions, about all of them?

Mr. MONTALVO. Not everybody.

Senator IVES. Not everybody, no, but how many would you say, or how large a percentage?

Mr. MONTALVO. I think about 90 percent.

Senator IVES. 90 percent?

Mr. MONTALVO. About 90 percent; yes, sir.

Senator IVES. Are run by the rackets?

Mr. MONTALVO. Yes, sir.

Senator IVES. Were the Puerto Ricans and the Negroes in that area of New York?

Mr. MONTALVO. Yes, sir.

Senator IVES. That is a pretty serious situation then, Mr. Chairman.

Mr. MONTALVO. I could point out many places in New York.

Senator CURTIS. How many years has this bad situation existed?

Mr. MONTALVO. Well, for about 3 or 4 years.

Senator CURTIS. Now, in some of these companies, the bosses were willing to enter into such an arrangement because it gave them an opportunity to exploit labor, is that correct?

Mr. MONTALVO. Yes, that is right.

Senator CURTIS. Were there some instances where the union leaders used methods of violence or intimidation, or to incite fear in order to deal both with the employees and management?

Mr. MONTALVO. Yes, but they never shared with the workers.

Senator CURTIS. Do you know whether they used threats and intimidation and violence in any of their acts, regardless of who they dealt with?

Mr. MONTALVO. I don't understand.

(The witness conferred with his counsel.)

Mr. MONTALVO. Yes.

Senator CURTIS. There was some of that?

Mr. MONTALVO. Yes, sir.

Senator CURTIS. Did you ever have any trouble with union leaders yourself? I mean did they cause you any trouble?

Mr. MONTALVO. Well, at the Duro Pen factory.

Senator CURTIS. What happened?

Mr. MONTALVO. The local 250 was trying to raid the shop but I was there as a foreman also, and so when the official came around, he was trying to organize the shop. I don't let nobody sign the cards, and so that evening he called the boss after dinner and after dinner the boss came over to me and explained to me what was happening. He said he would like to put the union into the shop, but I told him, as long as he gives the benefits, he was given vacations with pay, he treated good the people, I didn't think the people wanted a union.

So the boss paid attention to me, and so he don't let nobody sign the cards, and he stopped signing the cards.

Senator CURTIS. Mr. Counsel, I didn't quite understand that.

Mr. PERSKY. The witness has told you of an instance where he talked the boss out of letting the union 250 get into his shop, by the

argument that "Mr. Employer, the benefits you give us now are better than those we would get with local 250."

Senator CURTIS. In that case, the boss agreed with you?

Mr. MONTALVO. Yes, sir.

Senator CURTIS. And quit doing business with that union leader?

Mr. MONTALVO. Yes, sir.

Senator CURTIS. What was that boss' name?

Mr. MONTALVO. Mr. Beline.

Senator CURTIS. What was the name of the company?

Mr. MONTALVO. Duro Pen Co.

Senator CURTIS. How long did you work there?

Mr. MONTALVO. Seven or eight months.

Senator CURTIS. Now, this situation of corruption and wrongdoing and racket unions that you said has existed for 3 or 4 years, is that pretty generally known by everybody that you see?

Counsel, would you explain to him, if you wish.

(The witness conferred with his counsel.)

Mr. MONTALVO. Well, there is a Spanish paper, and they read about the racketeering, and now they know a little bit. I know most of them, about 30 or 35 percent of them have lost their job because they don't speak English, and so how can they live and work.

Senator CURTIS. The things you have been telling us about here are quite generally known by many, many people, is that right?

Mr. MONTALVO. Yes, sir.

Senator CURTIS. That is all.

The CHAIRMAN. Is there anything further?

Thank you very much. You may stand aside.

Mr. MONTALVO. Thank you.

Mr. KENNEDY. Mr. Samuel Conoval.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. CONOVAL. I do.

TESTIMONY OF SAMUEL CONOVAL

The CHAIRMAN. State your name, your place of residence, and your business or occupation, please.

Mr. CONOVAL. My name is Samuel Conoval. I live at 139-10 28th Road, Flushing, Long Island. The company name is Carnival Spraying Co., Inc., of which I am the president.

The CHAIRMAN. That is your company?

Mr. CONOVAL. Yes, sir.

The CHAIRMAN. Have you talked to members of the staff regarding your testimony?

Mr. CONOVAL. Yes, sir.

The CHAIRMAN. You waive the right to have counsel present?

Mr. CONOVAL. I have spoken to my counsel, and he doesn't think it is necessary for him to appear here.

The CHAIRMAN. You have taken his advice?

Mr. CONOVAL. That is right.

The CHAIRMAN. You may proceed, Mr. Kennedy.

Mr. KENNEDY. Mr. Conoval, you run the Carnival Spraying Co., Inc.?

Mr. CONOVAL. Yes, sir.

Mr. KENNEDY. That is at 144 West 27th Street?

Mr. CONOVAL. Yes.

Mr. KENNEDY. You do commercial spraying of enamel and lacquers and small objects?

Mr. CONOVAL. That is right.

Mr. KENNEDY. You also do work for the United States Government on a subcontract basis?

Mr. CONOVAL. Yes, sir.

Mr. KENNEDY. How many employees do you have?

Mr. CONOVAL. Steady employees? I have 14.

Mr. KENNEDY. How many employees working in your shop?

Mr. CONOVAL. Right now I have about 20.

Mr. KENNEDY. Do you have a contract with any union?

Mr. CONOVAL. Yes, sir.

Mr. KENNEDY. What union?

Mr. CONOVAL. It used to be 649. It is 269.

Mr. KENNEDY. Mr. Chairman, 649 was the first one formed by Mr. Dio, and then these paper locals were formed, and the shops from 649 went into 258. Davidoff brought his shops down to 258, and Curcio brought his to 269.

Do you have a contract with the teamsters?

Mr. CONOVAL. Yes, sir. Mr. Dunne has it.

Mr. KENNEDY. In 1951, or so, were you approached by a union organizer from 649?

Mr. CONOVAL. At that time it was 102.

Mr. KENNEDY. Local 102, and it became 649 subsequently?

Mr. CONOVAL. That is right.

Mr. KENNEDY. That was the local that was formed by Johnny Dio.

You were approached by Benny the Bug Ross, were you?

Mr. CONOVAL. I knew him as Benny Ross.

Mr. KENNEDY. Well, he is Benny the Bug.

Mr. CONOVAL. So I found that out.

Mr. KENNEDY. He came up and approached you about signing up your shop?

Mr. CONOVAL. That is right.

Mr. KENNEDY. Did you enter a contract with him at that time?

Mr. CONOVAL. Not immediately.

Mr. KENNEDY. What did you do?

Mr. CONOVAL. At first he wanted all the people, and naturally I refused.

Mr. KENNEDY. You didn't want him to talk to the people?

Mr. CONOVAL. No; I didn't say I didn't want him to talk to the people.

Senator CURTIS. Do you mean by that he wanted you to put all the people in the union?

Mr. CONOVAL. That is right.

Senator CURTIS. That you do it and not the workers joining?

Mr. CONOVAL. That is right; I refused.

Then we started discussing, and then he wanted at least 7 or 8 names regardless of who it is, as long as they are on the corporation books.

Mr. KENNEDY. He wanted 7 or 8 names of employees?

Mr. CONOVAL. That is right.

Mr. KENNEDY. And for you to make a contract with him, with the union that he represented, with the understanding that you would pay dues for 7 or 8 employees; is that right?

Mr. CONOVAL. Correction. Not that I should pay dues. He wanted names of 7 or 8 people on the books to belong to the union.

Mr. KENNEDY. So that the corporation, Carnival Spraying Co., Inc., would pay money—

Mr. CONOVAL. Incorrect.

Mr. KENNEDY. All right. You tell me.

Mr. CONOVAL. He wanted me to give him so many names to be union members. They shall pay the dues. I would get cards for them to sign, allowing me to deduct from their pay once a month. At that time I think it was \$3.50 a month dues.

Mr. KENNEDY. So what happened? And plus the welfare?

Mr. CONOVAL. Plus the welfare.

Mr. KENNEDY. How much was that to be, the welfare?

Mr. CONOVAL. The welfare? I am not sure what it was. I think it was \$8 or \$5 at that time. I think it was \$5 at that time.

Mr. KENNEDY. That was to be paid every month?

Mr. CONOVAL. That is right.

Mr. KENNEDY. Subsequently you decided that you would pay the money out of corporation funds?

Mr. CONOVAL. No, sir.

Mr. KENNEDY. What did you do?

Mr. CONOVAL. I put my self in the union because I was a working employee at that time, my expartner, my wife, my sister, who is in the employee, and three steady employees.

Mr. KENNEDY. You put them all in the union?

Mr. CONOVAL. That is right.

Mr. KENNEDY. Did "Benny the Bug" ever talk to the employees?

Mr. CONOVAL. Not to my knowledge.

Mr. KENNEDY. But you became a union shop, did you not?

Mr. CONOVAL. That is right.

Mr. KENNEDY. You became a union shop because you, your wife, your sister, your treasurer, and three of your employes, you sent their names into the union, and every month you would take from the corporation funds—

Mr. CONOVAL. Not from the corporation funds.

Mr. KENNEDY. Where would you take the money from?

Mr. CONOVAL. Right from their pay envelopes, which they signed for me to take out.

Mr. KENNEDY. Was that checked out, substituted, or deducted from your salary?

Mr. CONOVAL. It was deducted from the salary. The way they used to make out the pay envelope there would be gross pay less deductions for the Federal Government, social security, unemployment, net pay, and from that was deducted the union dues.

Mr. KENNEDY. How did you take the money out? Did you take the money out in cash, or how?

Mr. CONOVAL. I used to take it out cash and redeposit it back—no. I used to write on the pay envelope less that, when I used to make out a check, and the check showed, on the stub, less union dues.

Mr. KENNEDY. Do you mean the stub where you paid yourself?

Mr. CONOVAL. No. The stub in the checkbook, when I took out a payroll check, "Less union dues."

Mr. KENNEDY. And you would deduct it at that time?

Mr. CONOVAL. That is right.

Mr. KENNEDY. And your sister worked there at that time?

Mr. CONOVAL. That is right.

Mr. KENNEDY. So you became a union shop, then, did you not?

Mr. CONOVAL. That is right.

Mr. KENNEDY. So if any other union came around and tried to organize you, you could say, "I am already a member of a union"?

Mr. CONOVAL. Correct.

Mr. KENNEDY. And you would have these deductions which you would make each month?

Mr. CONOVAL. Correct.

Mr. KENNEDY. Were the employers ever consulted as to whether they wanted this union to represent them?

Mr. CONOVAL. I spoke to them.

Mr. KENNEDY. Did they vote to find out?

Mr. CONOVAL. Well, they were willing to go along. There was no such thing as a regular vote. I asked them if they wanted to, and they went along with it.

Mr. KENNEDY. Did you have a meeting of all of your employees as is required under the Taft-Hartley Act?

Mr. CONOVAL. No.

Mr. KENNEDY. Did you have a meeting to find out whether they wanted local 102, Johnny Dio's local, to represent them as a bargaining agent?

Mr. CONOVAL. No; that I didn't.

Mr. KENNEDY. You did not?

Mr. CONOVAL. No, sir.

Senator CURTIS. How many of your employees, besides yourself, your partner, and sister, were put into the union?

Mr. CONOVAL. At that time or now?

Senator CURTIS. At that time.

Mr. CONOVAL. At that time? Three.

Senator CURTIS. How many did you have in total?

Mr. CONOVAL. At that time, well, they were transient help. They stood a week or 2 weeks, back and forth. Nobody was ever steady employed. The only ones that were steady were the three, and they were in the union.

Senator CURTIS. And those that you said you talked to, to see if they would go along with this union idea, you are referring just to those who became members of the union?

Mr. CONOVAL. That was at that time. At this time, I went over to everyone of my steady workers that has been with me for quite awhile, and I asked them if they want a union and they said "Yes." I asked them if they are satisfied with this or with any other.

Personally, I don't think they cared, so we wind up with this one. I figured that was the lesser of the two evils.

Senator CURTIS. Did you gain anything as an employer by signing up with this Benny Ross and his union?

Mr. CONOVAL. In which way do you mean that?

Senator CURTIS. Did you gain any advantage as an employer by signing up with Ross?

Mr. CONOVAL. No; I don't see that I gained any advantage.

Senator CURTIS. What compelled you to do it?

Mr. CONOVAL. Well, for one simple reason, the only thing that compelled me to do it was if we didn't sign up at once, then somebody else would be around. Then they would stop you on the street, to get you to sign up. They would cause you some inconvenience.

Senator CURTIS. In other words, by stopping you on the street or causing you inconvenience, you are referring to these union officers, not the employees in your own plant?

Mr. CONOVAL. No; I don't say union officers stopping me directly, but stopping me from making deliveries to union shops and stuff like that, which causes a lot of inconvenience for a businessman.

Senator CURTIS. And because of that is why you signed up with Ross?

Mr. CONOVAL. It would either have been Ross or somebody else, if I could have gotten a fair enough contract.

Senator IVES. Mr. Chairman?

Senator CURTIS. That is all.

Senator IVES. In connection with these union officers you are talking about, I would like to inquire whether you are speaking of legitimate union officers, representing legitimate unions, or this racketeer gang. We all know by this time that "Benny the Bug" is one of the racketeers, one of the gangsters. You apparently at that time didn't know it, did you?

Mr. CONOVAL. At that time I did not know.

Senator IVES. Why are you talking about these union officers or union organizers stopping you on the street? Are they representing good unions?

Mr. CONOVAL. I wouldn't be the judge to tell you which is good and which is bad.

Senator IVES. Don't you think it would be up to you to check and find out what they were?

Mr. CONOVAL. How do you go about that?

Senator IVES. There is such a thing as the National Labor Relations Board, and it has offices in New York City. Is that not where you are located?

Mr. CONOVAL. That is right.

Senator IVES. There is a telephone book up here. You can go around there and inquire and find out.

Mr. CONOVAL. All that is good and well, but, don't forget, when you are a small-business man and you have to do a lot of your own work, and you have a lot of other things to think about, you will grasp at the first thing that comes along that looks best to yourself.

Senator IVES. Just a minute on that. You must have had some idea when they were trying to organize you on this kind of a basis that there was something funny about it.

Did it not ever occur to you that there was something peculiar about it?

Mr. CONOVAL. Well, that is true; it did seem a little peculiar.

Senator IVES. It is most peculiar. I would have thought that the natural thing for you to have done would be either to go to the National Labor Relations Board office in New York, the regional office there, or the State labor-relations board there, and find out what the story was. They could tell you in a hurry. I think if the employers

that are being victimized by this kind of business had used the commonsense that the Lord gave them in a lot of these cases a great deal of this could have been avoided.

I do not think all the employers that are involved in this business are dishonest. I think they are scared to death. I do not think they used the weapons that they had at their command. I do not think you followed the course you could have followed.

That is one of the things that has to be done if we are ever going to straighten this thing out.

Thank you.

The CHAIRMAN. Are you still unionized?

Mr. CONOVAL. Yes, sir.

The CHAIRMAN. In the same union?

Mr. CONOVAL. 269.

The CHAIRMAN. In 269?

Mr. CONOVAL. Yes, sir.

The CHAIRMAN. Are all of your employees now members of the union?

Mr. CONOVAL. Everyone, every one of my employees is a member.

The CHAIRMAN. Everyone is now a member.

When did you get the rest of them in the union?

Mr. CONOVAL. I think that was 1956, I think it was.

The CHAIRMAN. Was it after this committee started investigating?

Mr. CONOVAL. I don't know if it was after or before, because I don't know when you started investigating.

The CHAIRMAN. We have been investigating, not this committee but the Permanent Subcommittee of the Government Operations Committee started an investigation, in this New York area more than a year ago. It was nearly 2 years ago.

What happened that caused all of your people to join the union?

Mr. CONOVAL. Well, because all the people joined the union I figured this way, as long as I am paying them more than the union requires, and I give them more holidays than the union requires, what difference does it make to me if they are in a union or not, as long as they get some benefit out of it.

The CHAIRMAN. Do you have a contract with the union?

Mr. CONOVAL. I certainly do.

The CHAIRMAN. Do the employees know about it?

Mr. CONOVAL. Yes, sir.

The CHAIRMAN. Did you have a contract when you first signed up, the seven or whatever number it was?

Mr. CONOVAL. Yes, sir.

The CHAIRMAN. You had a contract then?

Mr. CONOVAL. That is right.

The CHAIRMAN. Do the members of your union approve the contract or do you just approve it?

Mr. CONOVAL. I told them what it was all about, and they seemed to be satisfied.

The CHAIRMAN. They took no vote on it?

Mr. CONOVAL. There was no such thing as a vote.

The CHAIRMAN. I did not understand you.

Mr. CONOVAL. There was no such thing as a vote.

The CHAIRMAN. What I mean is you made the contract with the labor union.

Mr. CONOVAL. I made a contract after I spoke to the employees, if they wanted it.

The CHAIRMAN. Which were you representing, yourself or the employees?

Mr. CONOVAL. Well, eventually I was looking for myself, too, as well as the employees.

The CHAIRMAN. You are representing both sides?

Mr. CONOVAL. That is right.

The CHAIRMAN. And they did not have much to say about it; did they?

Mr. CONOVAL. No; it is not that. If they don't want a union, I don't have to have a union.

The CHAIRMAN. I understand. But the employees who you signed up, when you first did, did not have a chance, were given no opportunity, to vote on approving or disapproving the contract that you entered into?

Mr. CONOVAL. They had every chance in the world.

The CHAIRMAN. What chance did they have?

Mr. CONOVAL. At that time when I approached them about joining the union, there was other people downstairs trying to organize one of the other floors and they were stopping all of my employees to find out whether they wanted to join the union. They told them to drop.

The CHAIRMAN. My understanding is that the proper practice with a legitimate union, once it makes a contract with the employer, is that it submits that contract to the union members and they vote to approve or disapprove it.

Mr. CONOVAL. As far as my employees are concerned, they were all for it.

The CHAIRMAN. Sir?

Mr. CONOVAL. As far as the employees are concerned, they were all for it.

As far as I know, as far as they told me.

The CHAIRMAN. As far as you know.

Mr. CONOVAL. That is right.

The CHAIRMAN. But, again, I think the procedure that is being followed is very much out of line. I think the people who do the work should have an opportunity to approve or disapprove the contract.

Is there anything further?

Mr. KENNEDY. Yes, Mr. Chairman.

I just want to get back to this time that Benny the Bug came in from local 102. It is not just a question of a racketeer union coming in. You had some employees in your plant, and it was a question of what union they were going to sign up with.

Once you signed with local 102, it prevented other unions from coming in there. So it was a distinct advantage to you.

I would like to go through the terms of the contract. Did the employees get any better terms once you had signed a contract with local 102?

Mr. CONOVAL. At 102?

Mr. KENNEDY. Yes.

Mr. CONOVAL. Well, I don't remember what the contract actually read right now—

Mr. KENNEDY. In the first place, look at the facts. You did not talk to any of the employees at the time?

Mr. CONOVAL. Not at that time.

Mr. KENNEDY. You presented 7 or 8 names, including your own name, who owned the shop, your wife's name, your partner's name, secretary-treasurer, your sister's name and 2 or 3 other employees; is that correct?

Mr. CONOVAL. Right, sir.

Mr. KENNEDY. None of the other employees in the plant were even consulted as to whether they wanted to belong to this union?

Mr. CONOVAL. No.

Mr. KENNEDY. You signed a contract which provided for the minimum legal wage; isn't that right?

Mr. CONOVAL. Yes, sir.

Mr. KENNEDY. So the employees got no advantage that way. The same vacation and holiday provisions as had existed before; isn't that right?

Well, actually, there was a great advantage for you, no advantage for your employees, there was a great advantage for you because when you were walking down the street or when you were trying to make deliveries, nobody would stop the deliveries because you were now a union shop, and you had made this sweetheart contract with local 102, which was to the detriment of your employees, to your workers.

Mr. CONOVAL. There is one more thing. Even if the union called for a 5-cent increase after the signing of a contract, I never gave an employee a 5-cent increase. It was always a minimum of \$5 per week. I don't wait for a union to tell me when to give or how to give it. I give it when the employee deserves it.

Mr. KENNEDY. The union provided no services and you knew at the time you signed this contract you were not being imposed upon. You knew at the time that you signed this contract that your employees were getting no advantage out of it.

Mr. CONOVAL. You're right.

Mr. KENNEDY. All right.

Senator CURTIS. Mr. Chairman?

The CHAIRMAN. Senator Curtis.

Senator CURTIS. I would like to raise a question which I do not think this witness can answer, but I am prompted by Senator Ives' statement.

Does the National Labor Relations Board maintain lists of racketeer and nonlegitimate unions? Is that information available for both workers and management?

Senator IVES. Are you asking me?

Senator CURTIS. Yes.

Senator IVES. I will answer that.

No; I do not think they do, as far as that is concerned, Senator, but what they could tell the gentleman is how to have his plant organized from the standpoint of his employees. That is the thing about which I was talking to him.

What he was doing here is having them organized in a very dubious manner. He, himself, admits that it sounds funny and it sounds funny to me. It is that procedure itself that should have made him suspi-

cious so that he should have gone around to either the State Labor Relations Board, or the regional board of the National Labor Relations Board and found out about it.

That could have helped him decide what to do.

Senator CURTIS. But I take the position that management should not do the organizing in their plant.

Senator IVES. That is not the point. I think management has the responsibility when it comes to these things, when the approach is made in this manner. I do not think there is any question about that. I am not talking about management doing the organizing.

Senator CURTIS. I believe they could furnish the information that the workers were being taken advantage of by racketeers and that would not be an unfair labor practice.

The CHAIRMAN. Are there any other questions?

Mr. KENNEDY. What kinds of employees do you have?

Mr. CONOVAL. I have both Puerto Ricans and colored.

Mr. KENNEDY. Mr. Chairman, I would like to say that we have made a study of Mr. Conoval's records, the payroll records, and they show no checkoffs for any of these dues being paid during this period of time.

The only conclusion we can reach from a study of the payroll records is that the money was taken out each month from the corporation funds and paid as a tribute to the union each month.

Mr. CONOVAL. As far as the checkoff is concerned, the first time I misunderstood what the word checkoff meant. As far as money taken out of corporation funds, it is not taken out of corporation funds. It is deducted off the employees' payrolls, for which they sign cards allowing me.

Mr. KENNEDY. That might be the present situation, but the situation when you originally signed up—

Mr. CONOVAL. At all times that was the situation.

Mr. KENNEDY. Your payroll records do not indicate that. They indicate that you got the full amount of your salary and that there was no deduction for the payment to the union.

Mr. CONOVAL. At all times it was deducted. At that time I wasn't taking care of the books. I was only taking care of the payrolls. My partner took care of the books. But I know the payroll was always deducted because the employees signed cards authorizing me to deduct from their pay. Cards are in Mr. Dunne's possession now.

Mr. KENNEDY. Mr. Chairman, in addition, from an examination of the records, it indicates that this company paid some \$6,000 to this local, first local 102, then 649, over this period of time.

Mr. CONOVAL. \$6,000 for what?

Mr. KENNEDY. During this period of time, since you have been signed up with them.

Mr. CONOVAL. For dues and welfare.

Mr. KENNEDY. Has anybody ever received any benefit from the welfare?

Mr. CONOVAL. My wife received it once when she gave birth. As far as anybody else, I wouldn't know because they wouldn't approach me for that.

Mr. KENNEDY. But you do not know of anything else?

Mr. CONOVAL. Not that I know.

Mr. KENNEDY. Have you ever taken an ad in local 649's journal?

Mr. CONOVAL. Three times. Twice it was \$25 and last June it was for \$50.

Mr. KENNEDY. Is it just because you like the local?

Mr. CONOVAL. No; it is not because I have any particular love for them, but I take ads in a lot of magazines. It is good for advertising.

The CHAIRMAN. If I understand your testimony correctly, all the money that you have given this union, paid to it, all of that money you withheld from the salaries or the wages of your employees?

Mr. CONOVAL. That is correct.

The CHAIRMAN. All of it, whether it was \$6,000 or what?

Mr. CONOVAL. Whatever was paid to the union, that was taken out for dues and welfare which we agreed upon.

The CHAIRMAN. How did you enter that deduction on your ledger books?

Mr. CONOVAL. I don't know how they got that deduction.

The CHAIRMAN. You do not know what?

Mr. CONOVAL. I say I don't know how they have the deduction of \$6,000.

The CHAIRMAN. I guess they totaled up some figures. The point I am making is, Did you show on your books that you kept that this money was withheld from the wages of your employees?

Mr. CONOVAL. Whatever deductions were on the books is legitimate deductions. Whatever deductions—when they came into my office, I gave them free wheel of the office. I haven't got nothing to hide whatsoever. Whatever deductions they made, whatever figures they took from my books, is not to my knowledge. They didn't tell me. They asked to see my books. I said, "Fine, see it." I cooperated with them 100 percent. What figures they arrived at, I don't know. They didn't present the figures to me. This is the first time I heard of these figures.

The CHAIRMAN. It is quite probable that with the payroll that you have, during that period of time you have paid \$6,000 into the union.

Mr. CONOVAL. The only way they could figure what I paid to the union is from canceled checks for welfare and dues. If that is what the checks say, they can very easily look at the books and see if that was coming to them.

The CHAIRMAN. I can understand that they can take your canceled checks and see what you paid into the union. But the only thing at issue here is that you say you deducted it from their wages.

It seems to me that that deduction would appear on your books.

Mr. CONOVAL. That certainly would.

Mr. KENNEDY. It does not appear on the payroll records that any money was deducted until recently, until this year, after the Senate Subcommittee on Investigations began their investigation in New York of these locals.

The CHAIRMAN. We can check that further.

Are there other questions?

If not, you may stand aside.

Call the next witness.

(Members present at this point: Senators McClellan, Ives, and Curtis.)

Mr. KENNEDY. Mr. Sidney Chernuchin.

He is another employee in New York City.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. CHERNUCHIN. I do, Senator.

**TESTIMONY OF SIDNEY CHERNUCHIN, ACCOMPANIED BY
COUNSEL, ABRAHAM H. STEINBERG**

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. CHERNUCHIN. My name is Sidney Chernuchin, 610 West End Avenue, New York City. I am a belt manufacturer. The name of the concern is All-Rite Belt Co.

The CHAIRMAN. You are the owner of this company?

Mr. CHERNUCHIN. Well, it is a corporation.

The CHAIRMAN. It is a corporation?

Mr. CHERNUCHIN. Yes.

The CHAIRMAN. You are one of the principal stockholders?

Mr. CHERNUCHIN. Yes, sir.

The CHAIRMAN. And you manage it?

Mr. CHERNUCHIN. Yes, sir.

The CHAIRMAN. Do you have counsel with you?

Mr. CHERNUCHIN. Yes, sir.

The CHAIRMAN. Would you identify yourself?

Mr. STEINBERG. Abraham H. Steinberg, practicing in the State of New York, 551 Fifth Avenue, New York City.

The CHAIRMAN. Proceed, Mr. Counsel.

Mr. KENNEDY. Mr. Chernuchin, you are the principal stockholder, are you, in this garment organization?

Mr. CHERNUCHIN. Half, yes.

Mr. KENNEDY. There are 4 or 5 different companies involved in it?

Mr. CHERNUCHIN. Yes, sir.

Mr. KENNEDY. You have a contract or you had a contract with local 258 of the UAW?

Mr. CHERNUCHIN. Yes, I had and have.

Mr. KENNEDY. You still have it?

Mr. CHERNUCHIN. Yes.

Mr. KENNEDY. That is 258 of the teamsters, is that right?

Mr. CHERNUCHIN. Yes, sir.

Mr. KENNEDY. You have a contract for your delivery boys?

Mr. CHERNUCHIN. Yes, sir.

Mr. KENNEDY. And you have had a contract covering your delivery boys?

Mr. CHERNUCHIN. Yes.

Mr. KENNEDY. With local 258?

Mr. CHERNUCHIN. Yes.

Mr. KENNEDY. You had a contract preceding that, did you not, with another local of the UAW?

Mr. CHERNUCHIN. No, sir, not that I know of. The only thing I know is 258. If they had another number I don't know of it.

Mr. KENNEDY. Didn't your company have a contract with 649 at one time, of the UAW?

Mr. CHERNUCHIN. It is possible, I don't know.

Mr. KENNEDY. You have reviewed your records since we discussed this matter with you.

Mr. CHERNUCHIN. The only number that is familiar to me is 258.

Mr. KENNEDY. 258?

Mr. CHERNUCHIN. 258.

Mr. KENNEDY. You say that is what is familiar to you because you conducted those negotiations yourself, but you reviewed the record and you know that you had a contract, your company had a contract, with 649, did you not? You told me this 2 hours ago in the office.

Mr. CHERNUCHIN. Yes, sir.

Mr. KENNEDY. Don't say you don't remember it again.

Mr. CHERNUCHIN. Mr. Steinberg said that. The number is not familiar. Yes, I did.

Mr. KENNEDY. You know you had a contract with the UAW local 649, is that right?

Mr. CHERNUCHIN. Yes, sir.

Mr. KENNEDY. That contract, from an examination of the files, was made some 3 or 4 years ago?

Mr. CHERNUCHIN. Yes, sir.

Mr. KENNEDY. That was 649 of the UAW, is that right?

Mr. CHERNUCHIN. Yes.

Mr. KENNEDY. That contract was made to cover eight delivery boys, is that right?

Mr. CHERNUCHIN. Yes, sir.

Mr. KENNEDY. And was it the procedure and practice of your company to just check off any eight names and send their dues in for welfare benefits and for union dues?

Mr. CHERNUCHIN. Yes, sir.

Mr. KENNEDY. Did you also find that none of the employees of your company were ever consulted as to whether they wanted to belong to that union or not?

Mr. CHERNUCHIN. They were not consulted?

Mr. KENNEDY. And the eight names were just taken at random during this period of time?

Mr. CHERNUCHIN. Yes, sir.

Mr. KENNEDY. And their dues were checked off, or their dues were taken out of corporation funds—

Mr. CHERNUCHIN. Yes, sir.

Mr. KENNEDY. The welfare and pension payments were taken out of corporate funds and sent into the union, is that right?

Mr. CHERNUCHIN. Yes, sir.

Mr. KENNEDY. And the eight people whose names were used, some of them were not even working at the company at the time?

Mr. CHERNUCHIN. That is right.

Mr. KENNEDY. So there was nobody that was receiving any benefits from these payments, is that right?

Mr. CHERNUCHIN. Well, I doubt if they were. I don't know.

Mr. KENNEDY. The \$96 that you were paying each month, or your company was paying, not you personally but your company was paying each month, was merely to be able to say that your company was paying union, is that right, so that you wouldn't be bothered by other unions?

Mr. CHERNUCHIN. I don't know, no.

Mr. KENNEDY. Well, there was no benefit for anyone other than management in that type of arrangement, is that right?

Mr. CHERNUCHIN. Well, I would like to explain something to you. It would seem that way, but I never negotiated the contract, I never had any union dealings with anybody. I had a partner who is deceased who did all of that. It would seem that way, but I honestly don't know. I never had any dealings with them. We have several other unions, and I didn't negotiate contracts with them either. I just don't know.

Mr. KENNEDY. What are most of your employees, the 28 or 30 delivery boys? What nationality are they, or extraction?

Mr. CHERNUCHIN. Well, they are white, they are colored and they are Puerto Rican. We don't pick them on any basis at all. We also get a lot of school boys who are part-time workers coming in after school. It is very unskilled work.

Mr. KENNEDY. Just on the contract that you have recently negotiated with 258, of the teamsters—is that right?

Mr. CHERNUCHIN. Yes, sir.

Mr. KENNEDY. That provides for a \$40 week, is that right?

Mr. CHERNUCHIN. I think \$42.

Mr. KENNEDY. \$42 a week?

(The witness conferred with his counsel.)

Mr. CHERNUCHIN. It is \$40, to be increased within 30 days to \$42.

Mr. KENNEDY. And how much vacation does the employee receive?

Mr. CHERNUCHIN. One week, after a year.

Mr. KENNEDY. After he has worked there a year he receives 1 week vacation; is that right?

(The witness conferred with his counsel.)

Mr. CHERNUCHIN. May I add if they work for less than a year, there is a prorating on the vacation.

(The witness conferred with his counsel.)

Mr. KENNEDY. So if they work for only three-quarters of a year, then they might only get 4 days vacation?

Mr. CHERNUCHIN. That is correct.

Mr. KENNEDY. If they work for 9 months, they might get 3 or 4 days vacation?

Mr. CHERNUCHIN. Yes, sir.

Mr. KENNEDY. And they get \$40 a week, receive \$40 a week?

Mr. CHERNUCHIN. Yes. And after a month it is \$42.

Mr. KENNEDY. How many employees are members of the union out of your 28 employees? How many of them are members of the union? That is, 28 delivery boys.

(The witness conferred with his counsel.)

Mr. CHERNUCHIN. I want to explain that this agreement is with All-Rite Belt Co., not with the other firms. We use the services of 8 boys who are listed.

Mr. KENNEDY. Has that always been the situation, that you had eight boys listed from All-Rite Belt Co.?

Mr. CHERNUCHIN. We had eight boys listed. I don't know where they were listed from.

Mr. KENNEDY. Your records show that up to recently, up to the time you signed the contract, you only had one boy listed.

Mr. CHERNUCHIN. Then they were listed on the other firms. Remember, sir, these names were sent at random. I told you that.

Mr. KENNEDY. Even the ones that you sent in recently?

Mr. CHERNUCHIN. Those for this agreement, they were names at random.

Mr. KENNEDY. And the names are at random now?

(The witness conferred with his counsel.)

The CHAIRMAN. What do you mean at random? Do you mean they were not even working for you?

Mr. CHERNUCHIN. No. You have to understand. You see, I just found this out myself.

These boys were doing errands and they were transient help. Each paying period there would be a different set of boys. They probably had an original set of names and then they sent in these welfare fees and dues under those names. The help would change and we did not make a change in the names. In other words, we were paying for people who, after a certain amount of time, were not employed there.

Mr. KENNEDY. Recently when you negotiated the contract with the teamsters, were your employees consulted as to whether they wanted to sign up with the teamsters?

(The witness conferred with his counsel.)

Mr. KENNEDY. He must know that.

Mr. STEINBERG. I just want to be helpful to everyone.

Mr. CHERNUCHIN. Mr. Steinberg negotiated the contract and I know there was a meeting between him and the employees, and somebody from the union.

Mr. KENNEDY. Were the employees representing the 28 messengers or 8 messengers or representing only 1 person that you had on your payroll?

Mr. CHERNUCHIN. There were eight employees, errand boys, in All-Rite Belt. This meeting and the contract is with that concern. These eight boys are the errand boys in that concern.

Mr. KENNEDY. At that time, you had only 1 employee, only 1 messenger on the payroll?

Mr. CHERNUCHIN. Yes, sir.

Mr. KENNEDY. When the representatives of the employees met with the union, was it representing that 1 employee or was it representing the messengers from the other 3 or 4 companies?

Mr. CHERNUCHIN. It represented the required amount of messengers from this firm.

Mr. KENNEDY. How many is that?

Mr. CHERNUCHIN. I would say about eight.

Mr. KENNEDY. How did you select which eight you were going to have work for this one?

Mr. CHERNUCHIN. Well, I would say we took the ones with the most stability, because a lot of the boys would come and go. These boys seemed to have the most stability.

Mr. KENNEDY. They elected to become members of the teamsters union?

Mr. CHERNUCHIN. Yes, sir.

Mr. KENNEDY. But a review of your records shows that originally, when the contract was first signed with this union, the UAW union, that 8 names were selected at random, that money was sent in for their union funds and their pension and welfare funds amounting to \$96; that these 8 names, after the initial payment, were perhaps fictitious

people because they no longer worked there, and the \$96 was sent in every month for a period of 2 or 3 years.

Mr. CHERNUCHIN. That is right.

Mr. KENNEDY. And this arrangement was changed somewhat by you recently in your contract with the teamsters?

Mr. CHERNUCHIN. I guess it is more than somewhat. I just became aware of the whole situation when we had to negotiate this new contract.

The CHAIRMAN. There is something a little peculiar about this.

Why would you pay \$96 a month out of your corporate funds and not deduct it from wages?

Mr. CHERNUCHIN. Well, actually, I had been paying it for this number of years.

Let me explain something to you. The why's I cannot tell you, because I don't know. I am out selling all day, as Mr. Dunne can verify. I had no union dealings; I didn't know much about this contract at all.

When they called to renegotiate it, I didn't even know who they were. I told them they must have the wrong number. When I found out and checked in the office, I called them back and I advised them to see my attorney.

Up until this time, I can't tell you why, because I—I knew I signed a check for it, but there was no particular reason, and I can't answer that question. I just don't know. I had no dealings with the union people at all.

The CHAIRMAN. You are talking about yourself, personally?

Mr. CHERNUCHIN. Personally, yes.

The CHAIRMAN. But you knew that the \$96 a month was being paid out?

Mr. CHERNUCHIN. Yes. I didn't know why or to whom, and I just found out about the situation and names afterward.

The CHAIRMAN. Did you find out now that that \$96 a month was paid out of corporate funds and not withheld from wages, in the same amount paid each month, irrespective of the number of employees you had?

Mr. CHERNUCHIN. That is right.

The CHAIRMAN. If you had 1 you still paid for 8 and if you had 20 you still only paid for 8, and that is the arrangement you had with this union?

Mr. CHERNUCHIN. That is right.

Mr. KENNEDY. Once again, the employees of your plant—it wasn't arranged for them to get much benefit out of this arrangement between your company and the union?

Mr. CHERNUCHIN. I don't know what you call much benefit. This is something that was negotiated between my attorney and the people and whoever the help were.

Mr. KENNEDY. I am talking about the arrangement as it had been.

Mr. CHERNUCHIN. As it had been?

Mr. KENNEDY. Specifically, with no benefit for the employees of your plant.

Mr. CHERNUCHIN. I would say "No."

The CHAIRMAN. Are there any other questions?

Senator CURTIS. You have contracts with other unions?

Mr. CHERNUCHIN. Yes, sir; I do.

Senator CURTIS. What other unions?

Mr. CHERNUCHIN. It is in the ILG. It is local 40 and local 66. They are most of my employees.

Senator CURTIS. Do you transmit dues and welfare funds for them?

Mr. CHERNUCHIN. No. We have a shop chairman who collects the dues and turns it over.

Senator CURTIS. So it does not go through your hands at all?

Mr. CHERNUCHIN. No, sir.

Senator CURTIS. Even though this arrangement was made by someone else, you knew that this \$96 was being paid out all the time?

Mr. CHERNUCHIN. Well, I signed the check. I know. I never knew why or to whom.

Senator CURTIS. Why were you paying it?

Mr. CHERNUCHIN. Why was I paying it?

Senator CURTIS. Yes.

Mr. CHERNUCHIN. I don't know. I was signing a check on arrangements my partner made. We had a contract with them, and I suppose he saw fit to do it.

Senator CURTIS. With each check was there anything attached to show what employees it was paid for?

Mr. CHERNUCHIN. Not that I am aware of. I don't know.

Senator CURTIS. That is all.

The CHAIRMAN. You may stand aside.

Call the next witness.

Mr. KENNEDY. Mr. Morris Ehrlich.

(Present at this point in the proceedings: Senators McClellan, Ives, and Curtis.)

The CHAIRMAN. Will you be sworn?

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. EHRlich. I do.

TESTIMONY OF MORRIS EHRlich

The CHAIRMAN. State your name, your place of residence, and your business or occupation, please, sir.

Mr. EHRlich. Morris Ehrlich, 221 East 76th Street, Manhattan, secretary of the Eden Aero Parts, the Bronx, N. Y.

(At this point, Senator Curtis withdrew from the hearing room.)

The CHAIRMAN. Is that a corporation?

Mr. EHRlich. Yes, sir.

The CHAIRMAN. Have you talked with members of the staff, and know the general line of interrogation to expect?

Mr. EHRlich. I talked to Mr. Dunne.

The CHAIRMAN. I see you appear without an attorney. Are you an attorney yourself?

Mr. EHRlich. Yes, sir.

The CHAIRMAN. You are an attorney?

Mr. EHRlich. Yes, sir.

The CHAIRMAN. You waive counsel, then, do you?

Mr. EHRlich. I do.

The CHAIRMAN. I am going to ask the photographers again about this. You can get some other angle on this instead of being right in front of me all the time.

Senator IVES. The same thing applies to me.

The CHAIRMAN. Mr. Kennedy, you may proceed.

Mr. KENNEDY. You are secretary of the Eden Aero Parts?

Mr. EHRLICH. Yes, sir.

Mr. KENNEDY. How many employees does that have?

Mr. EHRLICH. We have 10 to 12 at the present time.

Mr. KENNEDY. And you manufacture what?

Mr. EHRLICH. Engine parts and miscellaneous items.

Mr. KENNEDY. Is that for jet engines?

Mr. EHRLICH. Some parts for jet engines.

Mr. KENNEDY. Is that a subcontract?

Mr. EHRLICH. Sub-subcontract.

Mr. KENNEDY. Your employees are of what extraction?

Mr. EHRLICH. Mixed. All. White, colored, Puerto Rican.

Mr. KENNEDY. You made a contract, did you not, in 1956, signed a contract, with 649 of UAW?

Mr. EHRLICH. Yes, sir.

Mr. KENNEDY. Your contract was with a Mr. Abe Brier?

Mr. EHRLICH. I met Mr. Brier later; yes.

Mr. KENNEDY. That was 649 or 362?

Mr. EHRLICH. May I have the contract? I think it is 362.

Mr. KENNEDY. Yes. That is 362. It was formerly 649. 362 was one of the paper locals of the contract. Mr. Abe Brier came down from 649.

Mr. Brier came in to see you?

Mr. EHRLICH. He didn't see me at first. He saw my associate, Mr. Aborn.

Mr. KENNEDY. And then he came in and talked to you?

Mr. EHRLICH. I heard he came around and he made an appointment for me to see him.

Mr. KENNEDY. Did you discuss with him a contract?

Mr. EHRLICH. We did.

Mr. KENNEDY. Did he represent the employees at that time, of your plant?

Mr. EHRLICH. Well, he claimed he had been approached to organize our shop.

Mr. KENNEDY. Did he have any cards from any of the employees showing that he represented them?

Mr. EHRLICH. He claimed he had, but he never exhibited any.

Mr. KENNEDY. Did you sign a contract with him?

Mr. EHRLICH. We did.

Mr. KENNEDY. Did he show you the cards prior to signing the contract?

Mr. EHRLICH. He did not.

Mr. KENNEDY. Under the Taft-Hartley Act, doesn't it hold that the bargaining agent must represent a majority of the employees, prior to the employer signing a contract with them?

Mr. EHRLICH. I wouldn't know that. I don't know about that provision.

Mr. KENNEDY. You just went ahead and signed a contract with him?

Mr. EHRlich. That is correct.

Mr. KENNEDY. What arrangements were made in the contract? How many employees did you have at that time?

Mr. EHRlich. We had various numbers, but I think around that time we had a total of about 26.

Mr. KENNEDY. And were all the employees signed up in the union?

Mr. EHRlich. They were not.

Mr. KENNEDY. How many were signed up in the union?

Mr. EHRlich. I believe about eight.

Mr. KENNEDY. About eight employees?

Mr. EHRlich. That is right.

Mr. KENNEDY. It was not a majority of the employees?

Mr. EHRlich. It was not.

Mr. KENNEDY. Were they consulted as to whether they wanted to be members of the union?

Mr. EHRlich. The eight?

Mr. KENNEDY. Yes.

Mr. EHRlich. Yes. They signed the contract.

Mr. KENNEDY. They signed it. Were any of the others consulted as to whether they wanted to be members of the union?

Mr. EHRlich. Not by me; but we asked one of the men who has been many years with us, and he went around the shop and came up with these eight names.

Senator IVES. May I ask a question there, Mr. Chairman?

The CHAIRMAN. Senator Ives.

Senator IVES. Did you request them to sign up?

Mr. EHRlich. Personally, no.

Senator IVES. Did anybody representing you request them to sign up?

Mr. EHRlich. Yes. One of the employees went around the shop.

Senator IVES. That would be the same thing as if you requested them?

Mr. EHRlich. Not necessarily.

Senator IVES. You sent him around, did you not?

Mr. EHRlich. We told him to see whether the men wanted to join this particular organization.

Senator IVES. Well, suppose they had not? What would have happened?

Mr. EHRlich. Nothing. We had been approached many times, and we were never organized because they had rejected it.

Mr. KENNEDY. Was there any increase in wages or betterment of conditions once you signed the contract?

Mr. EHRlich. To some extent.

Mr. KENNEDY. Didn't the contract stipulate that the minimum wage would be paid; namely \$40 for a 40-hour week?

Mr. EHRlich. That is not the true picture, because when you get inexperienced help you start them at \$1 and if you get experienced help you start them at \$2. But that is the minimum you want to start them at.

Mr. KENNEDY. The contract stipulated that is how much was to be paid?

Mr. EHRlich. Certainly.

Mr. KENNEDY. So that was no benefit for the employee, was it?

Mr. EHRlich. I think practically all of them were getting more than the minimum.

Mr. KENNEDY. I understand they might have been getting more than that, but signing the contract with the union was no benefit for the employee?

Mr. EHRlich. No, of course not, in that regard, anyway.

Mr. KENNEDY. It was an advantage for the employer, namely, yourself, because you could tell anyone else that came to you after that, any other union that came to you, that you were already a union shop?

Mr. EHRlich. That is perfectly true.

Mr. KENNEDY. Who paid the dues for these employees, these eight employees?

Mr. EHRlich. The employer did.

Mr. KENNEDY. You paid them?

Mr. EHRlich. That is right.

Mr. KENNEDY. Out of corporate funds?

Mr. EHRlich. That is correct.

Mr. KENNEDY. Was there ever any contact between the representative of the union and the employees?

Mr. EHRlich. I don't know because I am there generally only in the afternoons. I believe in the beginning there was some slight contact, if at all. I can't honestly say.

Mr. KENNEDY. Did you not refuse initially to allow Brier to see the employees?

Mr. EHRlich. I believe I did, but I don't recall.

Mr. KENNEDY. But you know of no contact after that between Brier and the employees?

Mr. EHRlich. Well, I have seen notices posted in the shop to the effect that there was a meeting to be held.

Mr. KENNEDY. And at one time you kept the dues books of the members in your own drawer, is that right?

Mr. EHRlich. Yes.

The CHAIRMAN. Did they know that they were members at that time?

Mr. EHRlich. Yes. They signed the contract, sir. Their signatures appear on the original contract.

Mr. KENNEDY. Just in summary, out of some 26 employees that you had 8 of them became members of the union?

Mr. EHRlich. Yes, sir.

Mr. KENNEDY. You never had a majority that requested to become members of the union anyway, but only 8 signed, only 8 became members of the union, the dues were paid by the corporation, and they were not checked off from the wages of the employees?

Mr. EHRlich. That is correct.

Mr. KENNEDY. The union representative, Abe Brier, never had any contact with the employees?

Mr. EHRlich. I wouldn't say that.

Mr. KENNEDY. Well, not that you know of.

Mr. EHRlich. Not that I know of.

Mr. KENNEDY. And the wage conditions provided the minimum wage of \$1 an hour. You could not have paid less than that anyhow, could you?

Mr. EHRlich. That is right.

The CHAIRMAN. Is this what you call a soft contract or a sweet-heart contract, where the employer gets all the advantages and the employee nothing?

Mr. EHRLICH. I wouldn't say that, sir.

The CHAIRMAN. Tell us what advantage they got.

Mr. EHRLICH. They had an advantage of having frozen their seniority. We had no fixed vacation regulation. And they got for 1 year 1 week and for 2 years 2 weeks. They had provisions made for settling of disputes, and, in general, that is the advantage they received.

The CHAIRMAN. Did they ever have any disputes that they settled?

Mr. EHRLICH. No.

The CHAIRMAN. So they got no advantage there, because they have had no disputes.

Mr. EHRLICH. We don't have disputes.

The CHAIRMAN. What is the advantage to you now in having this union contract?

Mr. EHRLICH. Well, it is an advantage in that it wards off others from interfering with our business by stopping employees.

The CHAIRMAN. In other words, it prevents a legitimate union from coming in there and organizing those people and trying to honestly represent them and get benefits for them. That is the truth about it, is it not?

Mr. EHRLICH. That is not, sir. When I first met Mr. Brier, I had no idea who he was. He was just another organizer. Somehow he appeared to be an honest man. He never asked us for a nickel; we never gave him a dollar. It was the understanding right from the very beginning he wanted nothing from us outside of the union dues.

The CHAIRMAN. And that you agreed to pay?

Mr. EHRLICH. Yes, sir.

Mr. KENNEDY. That is the point of today's hearing, Mr. Chairman.

The CHAIRMAN. That was getting something from you was it?

Mr. EHRLICH. Well, if you were approached like we were, sir, over the years, by many, many people who wanted nothing but money, we were happy to stand with somebody who had, as we understood it to be, a legitimate union.

The CHAIRMAN. He offered to do it for less. He would just take eight members.

Mr. EHRLICH. We made the best contract we could, naturally.

The CHAIRMAN. I am sure. I do not doubt that. But does it not seem to you, and you appear to be a pretty intelligent fellow, that from a proper analysis of it, you recognize it as a racket?

Mr. EHRLICH. I think the trouble is with the system, sir.

The CHAIRMAN. The what?

Mr. EHRLICH. With the system itself, the entire system. It should be overhauled.

The CHAIRMAN. It is a system that is a racket. That is the way you understand it, is it not?

Mr. EHRLICH. We are forced to do these things.

Senator IVES. Mr. Chairman?

The CHAIRMAN. Wait a moment.

You say you are forced to do it. But you feel you have to do it to protect yourself?

Mr. EHRLICH. That is right.

Senator IVES. Were you here when I was questioning one of the witnesses before you, Mr. Ehrlich?

Mr. EHRLICH. Yes, sir.

Senator IVES. Did you hear what I said about conferring with the National Labor Relations Board regional office in New York and the State labor relations board?

Mr. EHRLICH. Yes, sir.

Senator IVES. You are an attorney. You have the knowledge that those boards exist?

Mr. EHRLICH. Yes, sir.

Senator IVES. And to some extent, undoubtedly, you have knowledge of the law?

Mr. EHRLICH. Yes, sir.

Senator IVES. If you are in any doubt, you should know that you can go to those boards and get the matter cleared up. Did it ever occur to you that in that situation in which you were confronted at that time, you could go to one of those boards or both of them to find out?

(At this point, Senator Goldwater entered the hearing room.)

Mr. EHRLICH. Yes, sir; if we went through the routine—

Senator IVES. If you did go through the routine?

Mr. EHRLICH. I said if we went through the routine, such as you suggest, we might be out of business at this time with a struck shop. All they need is one man walking up and down and we get no deliveries.

Senator IVES. No. That is where you are all wrong. In doing what I suggest, you would at least be following the law, which you obviously did not do in what you did do.

The CHAIRMAN. Do you think it might depend on the people you are dealing with, their character and so forth, as to whether you would be out of business or not?

Mr. EHRLICH. I am not saying about this particular organization. Others have come along over the years. The threat is always there.

The CHAIRMAN. I understand, but you did not sign up with the others.

Mr. EHRLICH. No, because the pressure was not as great in the years gone by as it has been in the last few years. I really don't know why, but the pressure is bad.

The CHAIRMAN. What do you mean by "pressure"?

Mr. EHRLICH. Organizational pressure.

The CHAIRMAN. Let us define it a little. Give us some illustrations.

Mr. EHRLICH. We would have men come around. I have been approached by a few of your employees who want to organize the shop.

Other organizers stand out on the street stopping our employees, talking to them. Then they would come in and see us. We could see or somehow get the feel of it that they were racketeers and wanting nothing but money.

We would not sign with them. Again, I repeat, we signed with Mr. Brier because we felt he was not out to line his pockets with our money. Maybe he wanted to run a union business and earn a living in the dues, that may be, but he didn't want anything extra.

(At this point, Senator Ives withdrew from the hearing room.)

Mr. KENNEDY. And also, he wanted your employees.

Mr. EHRlich. That is something I found out. They tried to get in in the beginning.

Mr. KENNEDY. Do you mean some union tried to get something for your employees?

Mr. EHRlich. I didn't say that. I said they will take whatever they can, and then try to get more employees and unionize the entire shop. But they have to get in first.

Mr. KENNEDY. And you found Mr. Brier a very gentlemanly man because he did not attempt to get anything for your employees, is that right?

Mr. EHRlich. I didn't say anything of the kind. I said I found him to be a gentleman because he didn't want any graft.

Mr. KENNEDY. And he didn't want anything for your employees?

Mr. EHRlich. He did get something, some things they didn't have.

Mr. KENNEDY. Which was what?

Mr. EHRlich. Vacations, and seniority.

Mr. KENNEDY. You broke down and gave them a week for every year they worked?

Mr. EHRlich. Well, I didn't have to.

Mr. KENNEDY. You didn't have to?

Mr. EHRlich. That is right.

Mr. KENNEDY. So they got that advantage and the advantage of the minimum wage of \$1 an hour, the \$40 a week?

Mr. EHRlich. Well, you stress the minimum wage which is not important because if they have any skill at all, they will get twice that.

The CHAIRMAN. But your contract does not provide that. In other words, under this contract, you could have reduced the wages of every employee to \$40 a week and not violated the contract.

Mr. EHRlich. Well, as a practical matter, it does not work out that way.

The CHAIRMAN. Probably, you do not even want to do it, but I am talking about—insofar as the contract protecting the workers, you could, as the employer, under this contract, reduce everyone's wages to \$40 a week, could you not?

Mr. EHRlich. That is a legal interpretation. Maybe we could, but they would not be there the next day.

The CHAIRMAN. That may be true, but there was nothing in there that protected or benefited the people who were working.

Mr. EHRlich. I have never seen a contract which in its basic features was different from the one we drew, and I have seen a number of contracts. I think it is quite elaborate.

The CHAIRMAN. I have never heard of a contract that took the minimum wage and said that was the wage.

Mr. EHRlich. I think they all do.

The CHAIRMAN. I think, in actually representing the working people, they usually try to get something a little above what is the minimum wage.

Mr. EHRlich. When you have inexperienced help, you have to have some basis to start with.

The CHAIRMAN. The law fixes that basis at \$40 a week.

Mr. EHRlich. Except for apprentices. I think apprentices are at a smaller figure.

The CHAIRMAN. Do you have apprentices?

Mr. EHRLICH. We do have a training program.

Mr. KENNEDY. Prior to this time, prior to the time that you signed this contract, you were not giving your employees any vacation at all?

Mr. EHRLICH. Older employees we did. We had no set program.

Mr. KENNEDY. No arrangements were made for your employees to get any vacation at all?

Mr. EHRLICH. There was no definite program about it.

Mr. KENNEDY. And this came in and changed this by giving all of your employees a week's vacation?

Mr. EHRLICH. There it is, right in the contract and we follow on it.

Mr. KENNEDY. Mr. Chairman, one of the matters that we are investigating, of course, in racketeering, is a collusive deal between management and labor. If the union is a racket, certainly, the employers who make these kinds of arrangements have to fall into the same category.

This would not be possible if it was not for you making this kind of a contract.

Mr. EHRLICH. That isn't so. We don't know who the union is when they come in.

Mr. KENNEDY. It does not matter who the union is. You made this contract.

Mr. EHRLICH. But we would do what you would do. We make the best possible deal. We cannot, voluntarily, unless we are forced to, give more than we have to, because we can be put out of business, too.

I have seen unions approach us with most extraordinary deals: 10-percent welfare, \$5 a month dues, and everything. We cannot stay in business. We have to make the best deal we can.

Mr. KENNEDY. That is a good argument, on the part of management for sweetheart contracts.

The CHAIRMAN. Is there anything further?

Senator GOLDWATER?

Senator GOLDWATER. What parts do you make for jet engines?

Mr. EHRLICH. We make single parts. We don't know what the actual end use is. It may be 1 part of 500 that go into an engine, or we may do 1 operation or 2 operations for someone else.

Senator GOLDWATER. How much skill is required?

Mr. EHRLICH. Quite a lot of skill. We work down to tolerances of two-tenths and you have fine finishes involved.

Senator GOLDWATER. To two-tenths?

Mr. EHRLICH. Yes.

Senator GOLDWATER. That is not very fine.

Mr. EHRLICH. Two-tenths?

Senator GOLDWATER. No.

Mr. EHRLICH. Well—

Senator GOLDWATER. How many employees do you have?

Mr. EHRLICH. We have about 12 now.

Senator GOLDWATER. You do not know what that part is?

Mr. EHRLICH. For instance, we are working for some other concern on a blank gear.

Senator GOLDWATER. What kind of a machine does it take to make that part?

Mr. EHRLICH. We have turret lathes, grinders.

Senator GOLDWATER. What do you pay a turret-lathe operator?

Mr. EHRLICH. I don't know. I don't handle that end of it.

Senator GOLDWATER. You are the secretary?

Mr. EHRLICH. That is right.

Senator GOLDWATER. You have 12 employees?

Mr. EHRLICH. That's right.

Senator GOLDWATER. You don't know what you pay a turret-lathe operator?

Mr. EHRLICH. Sure.

Senator GOLDWATER. You pay him more than \$40 a week?

Mr. EHRLICH. Yes; he probably gets \$80 or \$90 a week and maybe a hundred.

Senator GOLDWATER. \$2.40 an hour?

Mr. EHRLICH. I think that is about right, if they are experienced.

Senator GOLDWATER. How many of those would you have out of 12?

Mr. EHRLICH. We rotate. We don't have fixed operators.

Senator GOLDWATER. Where do you get them, when you need them?

Mr. EHRLICH. The New York State Employment Bureau, generally.

Senator GOLDWATER. Does the union not provide them?

Mr. EHRLICH. They don't have that type of worker, I don't think.

Senator GOLDWATER. Did you ever ask them for a replacement worker, when you lose one or start to rotate?

Mr. EHRLICH. I don't handle that end of the business. I handle, generally, the clerical work.

Senator GOLDWATER. What do you pay a precision grinder?

Mr. EHRLICH. We don't have any of that work at the present time. We have one man who is capable of doing it. He gets \$150 a week.

Senator GOLDWATER. How many people get this \$40 a week?

Mr. EHRLICH. I don't think there is anybody in our organization who gets \$40 a week.

Senator GOLDWATER. Where did it come into this discussion?

Mr. EHRLICH. Because the contract provides for a minimum of \$40 a week.

Senator GOLDWATER. And you did not give any vacations to these highly skilled people before that time?

Mr. EHRLICH. There was no set policy, but if we wanted to retain the good will of an employee, we would take care of him.

Senator GOLDWATER. Do you have anybody who gets \$40 a week?

Mr. EHRLICH. I believe not.

Senator GOLDWATER. That is all, I think.

That is all.

Mr. KENNEDY. And you paid \$32 a month for 8 employees; is that right?

Mr. EHRLICH. We had been paying \$32 a month, and then we found out that we were paying for 2 employees who had laid off. We had a policy of instructing our young lady to send for eight employees, and when they were laid off it was overlooked.

Mr. KENNEDY. So you were paying \$32 a month to this union in order to be a union shop, and for a period during 1957 you were paying for some employees that did not even work for you.

Mr. EHRLICH. That was an error.

Mr. KENNEDY. That is all, Mr. Chairman.

The CHAIRMAN. Is there any other witness?

Mr. KENNEDY. Mr. Murray Garren.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. GARREN. I do, sir.

**TESTIMONY OF MURRAY GARREN, ACCOMPANIED BY HIS
COUNSEL, WILLIAM SPARAGO**

The CHAIRMAN. State your name, your place of residence, your business or occupation.

Mr. GARREN. Murray M. Garren, 29 Park Lane, Rockville Centre, N. Y. I am an automatic car-wash operator.

The CHAIRMAN. You have with you your counsel?

Mr. SPARAGO. William Sparago, 50 Court Street, Brooklyn, N. Y.

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. You run a car wash?

Mr. GARREN. Yes, sir.

Mr. KENNEDY. And you are a member of an association, are you not?

Mr. GARREN. That is right, sir.

Mr. KENNEDY. Does the association consist of 12 or 15 shops?

Mr. GARREN. Yes, sir.

Mr. KENNEDY. And that association has a contract with Local No. 224 of the UAW-AFL?

Mr. GARREN. Yes, sir.

Mr. KENNEDY. You can see local No. 224 is up on our chart, Mr. Chairman.

Each of these 15 shops, approximately, have between 8 and 20 employees; is that right?

Mr. GARREN. That is correct.

Mr. KENNEDY. The contract that you have signed with Local No. 224 of the UAW-AFL provides for what salaries for these employees?

Mr. GARREN. I don't recall. I think I told Mr. Dunne from 85 cents to \$1 an hour, or a weekly basis of \$40 a week.

Mr. KENNEDY. You either paid them 85 cents an hour or \$40 a week for a 57-hour week? \$40 for a \$57-hour week?

Mr. GARREN. That is right.

Mr. KENNEDY. That is the contract you signed with Local No. 224 of the UAW?

Mr. GARREN. That is right.

Mr. KENNEDY. For 57 hours in a particular week he gets paid \$40?

Mr. GARREN. That is right, sir.

Mr. KENNEDY. Most of the employees of these shops, these 15 shops, are Negro or Puerto Ricans, is that right?

Mr. GARREN. Yes, sir.

Mr. KENNEDY. The initiation fee for them to belong to the union is \$10?

Mr. GARREN. I don't recall what the initiation was, but at the time we signed the contract I believe the initiation fee was waived, because we came over from the CIO to the AFL 224, based upon a decision of the board of New York State.

Mr. KENNEDY. What was that, again?

Mr. GARREN. We were transferred from the CIO 365 UAW to the local 224, UAW-AFL, by a decision of the Labor Relations Board of New York.

Mr. KENNEDY. I understand.

Who pays the initiation fee?

Mr. GARREN. On the shops, on the master contract, my recollection is the initiation fee has been waived. The only moneys paid are the \$3.50 a month for the steady help.

Mr. KENNEDY. And that is the dues for the members?

Mr. GARREN. Pardon?

Mr. KENNEDY. That is for the dues for the employees?

Mr. GARREN. That is right, sir.

Mr. KENNEDY. Is that checked off their salaries or is it taken from the funds of the corporation of the company?

Mr. GARREN. Are you talking about my particular company?

Mr. KENNEDY. Well, give me your company.

Mr. GARREN. In my company, sometimes I pay the dues and sometimes the employees pay the dues, depending upon how I feel and how business is at the time.

Mr. KENNEDY. Sometimes if you feel good you pay the dues and other times they pay them, is that right?

Mr. GARREN. Yes.

Mr. KENNEDY. What do the other companies do, of your association?

Mr. GARREN. Some members pay all of the dues and some members pay none of the dues. It depends upon how they feel toward their particular employees.

Mr. KENNEDY. That is all.

The CHAIRMAN. Are these contracts submitted to the workers themselves? Are they given an opportunity to approve them?

Mr. GARREN. I don't know, sir. Before we signed this contract, we had a contract which is similar to this, with local 365, UAW-CIO, Local 365. At the time we had contract difficulties with 365. During the interim, other locals must have gotten wind of it, and they tried to come in and organize our shops.

The CHAIRMAN. Started what?

Mr. GARREN. They tried to organize our shops. And they couldn't.

However, local 995 received cards from almost all the members in our shops and also on those that were not in our master contract or not in our association. However, it took several months before the decision was handed down by the National Labor Relations Board.

There was a contest between 995 and 365, CIO. The association, I don't recall whether each member signed or just the president at that time signed the agreement with local 365 of the CIO and 995 of the AFL, to go before the Labor Relations Board for a union vote.

Based upon a decision of the Labor Board, 995 was instrumental in receiving cards from all these men.

At the time they handed down the decision, I was there with several other members of my committee, and there was also Ann Mazacara, and Tommy DeLorenzo of local 365, CIO, when the decision was handed down that we are to sign a contract or negotiate a contract with AFL 224, substituting for 995.

The CHAIRMAN. What about this wage of 85 cents an hour? Is that below the minimum?

Mr. GARREN. I haven't seen the contract in about a year, sir. It might be. I don't know.

The CHAIRMAN. I think the minimum wage is a dollar an hour.

Mr. KENNEDY. They are getting 85 cents an hour optionally or \$40 for a 57-hour week.

Mr. GARREN. We are not covered by the minimum-wage law, sir. We have made inquiries with the State labor board several times, checking to see whether we are covered or not.

The CHAIRMAN. Does anybody from the union actually look after the interest of these workers?

Mr. GARREN. Well, when they have complaints up there, they come back and the union tries to straighten us out.

The CHAIRMAN. Have you had any complaints?

Mr. GARREN. There are sometimes complaints.

The CHAIRMAN. I am just trying to find out what service, what business these laboring men get out of a contract like this.

Mr. GARREN. Sometimes we fire a man and then he goes back to the union hall and the union tells us to put him back to work. We put him back to work.

The CHAIRMAN. Senator Goldwater?

Senator GOLDWATER. Mr. Garren, in addition to being president of the association—

Mr. GARREN. I am no longer president.

Senator GOLDWATER. But you still operate Boulevard Auto Laundry in Queens and the Quick Car Wash in the Bronx?

Mr. GARREN. Yes, sir.

Senator GOLDWATER. How many employees do you have generally between the two places?

Mr. GARREN. The Boulevard Auto Laundry operates with approximately 8 employees and the Quick Car Wash in the Bronx operates with between 15 and 20 employees.

Senator GOLDWATER. How much do you get per car for a wash?

Mr. GARREN. In Queens we get \$1.50, Monday to Thursday; \$2 Friday and Saturday. In the Bronx we get 99 cents, Monday through Thursday, and \$1.25 on Friday and \$1.50 on Saturday. We are closed Sunday.

Senator GOLDWATER. It is kind of hard to get 57 hours in 6 days.

Mr. GARREN. Nine and a half hours a day.

Senator GOLDWATER. Nine and a half hours a day?

Well, that is not hard.

Mr. GARREN. However, the men do not work all the time. They go out for coffee breaks whenever they feel like it.

Senator GOLDWATER. But they are around the place.

Mr. GARREN. Yes; they are around.

Senator GOLDWATER. Everybody gets coffee breaks these days.

Mr. GARREN. They take it when they want to.

Senator GOLDWATER. How many cars a day would you say you handled at Queens?

Mr. GARREN. Queens!

Senator GOLDWATER. Yes.

Mr. GARREN. It depends upon the weather and the amount of men I have working for me.

SENATOR GOLDWATER. Say this time of year.

MR. GARREN. This time of year. Business is off.

SENATOR GOLDWATER. Well, if it is off, what is it off to?

MR. GARREN. I may do today 60 cars.

SENATOR GOLDWATER. How many would you do on a good day?

MR. GARREN. Double.

SENATOR GOLDWATER. How about the Bronx establishment?

MR. GARREN. The Bronx establishment might do anywhere from 400 to 700 cars today.

SENATOR GOLDWATER. Four hundred to seven hundred?

MR. GARREN. It is a different type operation.

SENATOR GOLDWATER. Would that be a bad day?

MR. GARREN. That is right.

SENATOR GOLDWATER. What would be a good day at the Bronx?

MR. GARREN. Over 1,000 cars.

SENATOR GOLDWATER. And you have 15 to 20 employees there that you are paying, actually, on a 57-hour week, you are paying them 70 cents an hour.

MR. GARREN. At the Bronx?

SENATOR GOLDWATER. Yes.

MR. GARREN. The one in Queens I own with my wife and on the one in the Bronx I have a partner. They are both different operations.

SENATOR GOLDWATER. But you pay these salaries at both of them.

MR. GARREN. Yes.

SENATOR GOLDWATER. It is 70.1, at \$40 a week, for 57 hours.

MR. GARREN. However, the \$40 was stopped about a year ago.

MR. SPARAGO. May I ask at this time the pertinence of this questioning with respect to the number of cars?

SENATOR GOLDWATER. Yes; I will tell you. I am a businessman. I am going to be just as rough on businessmen that pay their employees too little as I am on union officials that are crooked and racketeers. I do not think that this is any kind of a wage to be paying men who work 9½ hours a day washing cars. That is the gist of my questioning.

THE CHAIRMAN. Will the Senator yield?

SENATOR GOLDWATER. Yes.

THE CHAIRMAN. It also establishes the fact that these men who are paying the dues are actually getting no service and no protection from the racketeers' unions.

MR. GARREN. However, it was not my choice which union—

MR. SPARAGO. In that event, I must object to that line of questioning, because I feel it is not pertinent, and the question of how much a businessman should pay is not within the scope of this investigation, or in the investigation of this committee.

The amount of wages that are paid to any employee is a question of bargaining, and that is why a union is picked as the bargaining agent.

THE CHAIRMAN. Just a moment.

The Chair rules that the testimony sought is within the jurisdiction of this committee. We are investigating racketeers and labor unions, and collusion between business and unions.

To establish the low rate of pay that these employees are getting is a very strong circumstance, if not a conclusive fact, that these men, notwithstanding their paying their dues, having joined a union, that this union is giving no service, is not looking after their interest, and,

therefore, it tends to show that it is possibly not a legitimate union but is simply a racketeering organization.

If management is dealing with that sort of a union, for getting the benefit of these very low wages, it thoroughly means it is within the jurisdiction of this committee.

Proceed.

Mr. SPARAGO. I would like to record my objection to any—

The CHAIRMAN. The objection is heard and the objection is overruled.

Proceed.

Senator GOLDWATER. Mr. Chairman, I had about completed my questioning.

I would say for your information, the subject of extending the Fair Labor Standards Act is before the Labor Committee of the Senate now—it is also before the Labor Committee of the House—and, with the extension, would naturally touch on this business. I might say we have had a lot of complaints from businesses not now covered that they could not afford to pay the proposed minimum wage if the coverage were extended to them.

I think that, in itself, Mr. Chairman, would show the pertinency of this information. I do not care where we develop this information, whether it is in this committee or before the Labor Committee, or, by chance, before any committee. If it is pointed out that there are abuses, I think the abuses should be noted. I cannot bring myself to believe that the union, charged with the responsibility of negotiating for decent wages, has done their job, and in the absence of any responsible union, that management is doing a particularly generous thing toward employees when they pay them 70 cents an hour and work them 9½ hours a day, which even stretching arithmetic, the intake of that would be about \$140 a day wages from a \$1,500 possible income.

I do not know the other details of your business, such as taxes and so forth. But 10 percent out of a sales dollar is mighty low.

Mr. SPARAGO. The question of 57½ hours sound very bad, or 57 hours, or even 52 hours. The fact of the matter is, though, that this type of help that comes around are not regular and steady workers. They don't work 57 hours. When they report to a job, they don't work 8 hours. If they would work continuously for 6 hours, and create production during those 6 hours, they would be underpaid.

But in a great many of these cases, if you listen to the complaints of the general public, who are the beneficiaries of their efforts and labor, you would find that these people sometimes are not even worth the wages that they get.

There is a lot to be said and a lot to be argued from both points.

You must remember that you get a very, very low type of intelligence and a very low type of worker in this particular field.

All those factors go into it.

I don't care to be too argumentative, but the fact is that inferences can be made. We know there are conditions in every industry. We know that this committee is doing a very good job. I, for one, appreciate it.

Of course, the appreciation will be not for the work that is done by this committee, but the appreciation will be shown by the public if some proper legislation is enacted to cover the sorry conditions that we have in the labor field.

There are a lot of things that go on and we know it. Nobody can talk about it. The general public feels it. They are affected by it. The general public is hurt. It isn't the individual worker here who doesn't get an adequate wage. It isn't the fact that—

The CHAIRMAN. Just a moment.

Do you have any further questions?

Senator GOLDWATER. No.

The CHAIRMAN. I do not mind listening to counsel, but we are rather tired and trying to get through. You are not a witness. We are only trying to get facts. We can make our own deduction.

As you say, there are a lot of things going on which the public feels but which are hard to prove.

There are some pretty good feelings about these soft contracts made by these racketeering unions with small-business people. Maybe they are under a feeling of fear that if they do not sign up with them something worse will happen to them.

It is pretty hard to get that established in the record as a fact. When we establish circumstances like this, the contracts that they are making, on the face of them it shows the working people are not getting any benefit out of it, and not even getting now under the law what are minimum wages. The minimum wage may not apply to this business. I understand that.

But this certainly indicates to me, and I think it will to other members of the committee and to the public, that this is more of a racket than it is a service to the working people.

Mr. SPARAGO. I will agree that in a great many cases it is so. That is why I approve of the action of the committee. As a matter of fact, when my client was called by the investigations, I was called and said "Give them all the information you have."

And we furnished the committee with an affidavit.

The CHAIRMAN. Thank you very much.

Are there any other questions?

If not, you may stand aside.

Call the next witness.

Mr. KENNEDY. Mr. Jerome Fine.

(Present at this point in the proceedings: Senators McClellan and Goldwater.)

The CHAIRMAN. Will you be sworn, please?

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. FINE. I do.

TESTIMONY OF JEROME FINE

The CHAIRMAN. State your name and your place of business.

Mr. FINE. Jerome Fine. Seal Tight Quilting Co., 471 Manhattan Avenue, Brooklyn.

The CHAIRMAN. Have you talked to members of the staff and know generally the line of interrogation to expect?

Mr. FINE. Yes, sir.

The CHAIRMAN. Do you waive counsel?

Mr. FINE. Yes, sir.

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. What is the Seal Tight Quilting Corp.? What do you manufacture?

Mr. FINE. We do processing of electronic quilting.

Mr. KENNEDY. What is electronic quilting?

Mr. FINE. We take two pieces of plastic material, with cotton wadding between it, and we quilt it without stitches. It is a heat sealing process.

Mr. KENNEDY. How many employees do you have?

Mr. FINE. At the moment?

Mr. KENNEDY. Yes.

Mr. FINE. Three.

Mr. KENNEDY. How many employees did you have in the middle of 1955?

Mr. FINE. It varied from 12 to 25 or 30.

Mr. KENNEDY. What nationality were most of those?

Mr. FINE. Completely mixed.

Mr. KENNEDY. Negro, Puerto Rican, and white?

Mr. FINE. Yes, sir.

Mr. KENNEDY. You made a contract on the 5th of July with Local 649, UAW-AFL?

Mr. FINE. Yes, sir.

Mr. KENNEDY. Mr. Chairman, 649 is on the chart.

That was to cover all of your employees?

The CHAIRMAN. What year was that?

Mr. KENNEDY. July 1955.

That was to cover all of your employees?

Mr. FINE. Yes, sir.

Mr. KENNEDY. With whom did you negotiate the contract?

Mr. FINE. Mr. Davidoff.

Mr. KENNEDY. Mr. Harry Davidoff?

Mr. FINE. Yes, sir.

Mr. KENNEDY. Did he have any conferences with your employees prior to that time?

Mr. FINE. I don't think so.

Mr. KENNEDY. Did he ever meet with your employees, do you know?

Mr. FINE. A representative of the local did.

Mr. KENNEDY. Were you there at the time?

Mr. FINE. Yes, sir.

Mr. KENNEDY. Did you urge them to join the union at that time?

Mr. FINE. I believe they were already members at the time.

Mr. KENNEDY. They were already members of 649?

Mr. FINE. Yes, sir.

Mr. KENNEDY. You had already signed them up?

Mr. FINE. They were already members; yes, sir.

Mr. KENNEDY. You made them members of local 649?

Mr. FINE. The foreman or my bookkeeper.

Mr. KENNEDY. When were they told that they were members? Shortly afterward?

Mr. FINE. When was it?

Mr. KENNEDY. When were they told that they were members of local 649?

Mr. FINE. At the time that there was a meeting called and the men were told that the shop was becoming union, that they were getting

increases, they were getting additional holidays, that they were getting vacation money—well, they were getting that anyway. And they agreed to become unionized.

Mr. KENNEDY. Had you taken them into the union prior to that time? Had you already signed the contract with Mr. Davidoff in 649?

Mr. FINE. I think it was simultaneous.

Mr. KENNEDY. Did they have a vote as to whether they wanted to become members of the union, or how was it arranged? Did you just arrange it with Mr. Davidoff?

Mr. FINE. Well, I had wondered. I should say that I met with Mr. Davidoff and we agreed on my factory becoming a union. It had not been union and I had been in business about 5 years. I guess it was time.

Mr. KENNEDY. At that time, you say there were some benefits for the employees. I have the contract in front of me, and it says that the minimum wage will be 85 cents an hour. Is that right?

Mr. FINE. At the time, I believe the Government minimum wage was 75 cents an hour.

Mr. KENNEDY. And you guaranteed 85 cents?

Mr. FINE. I never paid a man 85 cents.

Mr. KENNEDY. That was the guaranty in the contract?

Mr. FINE. That is what it states, I believe. I haven't read it recently.

Mr. KENNEDY. When the minimum wage was raised to a dollar, did it still remain at 85 cents in the contract?

Mr. FINE. I don't believe the contract was ever changed. In fact, shortly thereafter, my business had gotten very bad, to the point where it is only three people at the moment, and almost complete union negotiations were cut off.

Mr. KENNEDY. So you had a contract for guaranteeing to your employees a wage of 85 cents an hour when the minimum wage federally was \$1 an hour, is that right?

Mr. FINE. No, sir; I believe that is incorrect. At the time of the union contract—

Mr. KENNEDY. I know at the time of the contract. I am talking about subsequently, when the contract was in effect it provided for 85 cents an hour when the minimum wage was already a dollar.

Mr. FINE. It was an old contract.

Mr. KENNEDY. The contract was not changed, was it?

Mr. FINE. There was no rider attached to it.

Mr. KENNEDY. You had no pension or welfare provisions in the contract?

Mr. FINE. No, sir.

Mr. KENNEDY. And it was stipulated that after an employee had worked there for 12 months, he would receive 1 week's vacation?

Mr. FINE. I believe that is correct.

Mr. KENNEDY. And after he had worked there 36 months, he would receive 2 weeks' vacation?

Mr. FINE. That is correct, sir. I also believe that there isn't anything in there suggesting bonuses to my men, which they always got at Christmas time.

Mr. KENNEDY. I am just talking about the contract.

And the provisions for the promotion on the basis of plantwide seniority, that was crossed out, that provision of the contract?

Mr. FINE. I don't recall. If you have it in front of you, sir, you would have it at your fingertips.

Mr. KENNEDY. There was no arrangement made for rest periods and washup time? That provision usually contained in a contract was also crossed out?

Mr. FINE. It may have been. I don't believe there was any reason for it, because I believe that a happy shop will do the best for me.

Mr. KENNEDY. I am just talking about the contract. Once again, you were able to sign a contract with this union with no real benefits for the workers?

Mr. FINE. I wouldn't say that, sir. They did get benefits. They got more benefits than they did before they were unionized.

Mr. KENNEDY. They got a week's vacation and a wage scale of 85 cents an hour. They got a week's vacation a year. The sickness and accident benefits were crossed out also. You had nothing to cover sickness and accident?

Mr. FINE. I believe that is taken care of by the insurance that I carry for the factory.

Mr. KENNEDY. There is nothing in the contract.

The CHAIRMAN. I hand you here a copy of the contract and I ask you to examine it and state if that is the contract you signed. Counsel has been referring to it, about certain provisions being crossed out.

(A document was handed to the witness.)

Mr. FINE. Sir, there was a question about this contract. On the top it is very clearly marked "Retype completely." I haven't had an office staff since—

The CHAIRMAN. Is that a signed contract?

Mr. FINE. This is signed by Mr. Davidoff, and my signature also appears on it. As I say—

The CHAIRMAN. Did you have another contract, a different contract from that?

Mr. FINE. As I say, I haven't had an office staff for over a year now. I couldn't find another copy of this. This is the one. This is the only copy I have.

The CHAIRMAN. I assume you agreed to it by signing it, did you not?

Mr. FINE. Actually, sir, this copy was signed by me in the presence of one of your men in my office the day they took it away. All I had was this contract signed by Mr. Davidoff. My signature was first put on my copy, which was this, the day that it was taken from me.

The CHAIRMAN. You had not signed it until the day that the staff came to see you?

Mr. FINE. No. The staff had been in my office for 2 days, but the third day that they were there is when they took this.

The CHAIRMAN. In other words, you had an unsigned copy insofar as your signature is concerned. But it was signed by Mr. Davidoff?

Mr. FINE. Yes. A contract in my possession not having my signature is still good. It had the signature of the union delegate.

The CHAIRMAN. That is the one you had from him that you were relying on. Did you have any other?

Mr. FINE. I can't recall, sir. I read on the top of this where it says, "Retype completely."

If there is another copy, that should exist, with the provisions as marked in here, it should exist somewhere.

The CHAIRMAN. All right. That copy will be made exhibit No. 9 for reference.

(The document referred to was marked "Exhibit No. 9" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. How did you arrange for the dues to be sent in to the union?

Mr. FINE. I believe my bookkeeper deducted it from the salaries of the men, and when the due date—I believe she took out a dollar a week so that the men would not be taxed too much, or not have to give up the \$4 at one time. When the full money was collected, a sheet was made up bearing the full amount of the dues, and sent to the union.

Mr. KENNEDY. Did you pay any other money to Mr. Davidoff or anybody connected with him?

Mr. FINE. No, except for the check that you have in your possession, which was for an ad in the booklet.

The CHAIRMAN. How many employees did you have on the 10th of August 1955?

Mr. FINE. I couldn't just pull that answer out of the air, sir.

The CHAIRMAN. You know about how many you had.

Mr. FINE. When was this? The 10th of when?

The CHAIRMAN. The 10th of August 1955. It would be 2 years ago.

Mr. FINE. Fifteen or eighteen, or twenty. Something like that.

The CHAIRMAN. What was the volume of your business in that year? What did you gross?

Mr. FINE. I think close to \$800,000, sir.

The CHAIRMAN. \$800,000?

Mr. FINE. I believe so, sir.

The CHAIRMAN. As I understand your operations, you do not have to buy any material?

Mr. FINE. We have to buy the backing and the wadding, the cotton wadding.

The CHAIRMAN. The backing?

Mr. FINE. The cotton and the backing of the process. There are three materials in the process. We buy the back and the center.

The CHAIRMAN. I present you here a canceled check in the amount of \$1,000, dated August 10, 1955, payable to the order of Amalgamated Union, Local 649, 1780 Broadway, New York.

Will you examine that check and state if you identify it?

(A document was handed to the witness.)

Mr. FINE. This is the check that was presented to the union.

The CHAIRMAN. You presented that to the union?

Mr. FINE. It was mailed to them.

The CHAIRMAN. For what?

Mr. FINE. As best as I know, for an advertisement in their booklet.

The CHAIRMAN. For this advertisement?

Mr. FINE. Yes, sir.

The CHAIRMAN. Do you know what that advertisement sold for?

Mr. FINE. Since I met the gentleman that interviewed me in New York, they showed me that other slip which you have in your hand which says that that ad should be \$500.

The CHAIRMAN. I will let this booklet be made exhibit No. 10 for reference.

Do you identify this as the ad you took?

Mr. FINE. Yes.

The CHAIRMAN. The check will be made exhibit No. 10 and that booklet will be made exhibit No. 11.

(The documents referred to were marked "Exhibit No. 10" which will be found in the appendix on p. 3977 and No. 11 may be found in the files of the select committee.)

The CHAIRMAN. I hand you now a blank form from the Amalgamated Union, Local 649, and ask you to examine it and see what it says.

(A document was handed to the witness.)

The CHAIRMAN. What does that blank form state with respect to the cost of the ads in this book?

Mr. FINE. According to the rates listed here, a gold page is \$500, a silver page is \$250, a full page is \$100, and a half page is \$50.

The CHAIRMAN. So you got the highest priced ad that they had?

Mr. FINE. It appears that way, sir.

The CHAIRMAN. And paid double for it?

Mr. FINE. You have the back of it, sir. It is on the other side.

The CHAIRMAN. Well, whatever page it is on. That is the highest price they had?

Mr. FINE. As far as I knew at the time, sir. I don't recall receiving one of these.

The CHAIRMAN. Anyway, they charged you \$1,000 for it and they advertised it for half price.

Mr. FINE. Can I get a rebate?

The CHAIRMAN. Can you explain that?

Mr. FINE. I can't, sir.

The CHAIRMAN. In the course of getting the contract—what is the date of the contract?

Mr. KENNEDY. July 1955.

The CHAIRMAN. A few days later, you bought this big ad and paid double for it?

Mr. FINE. A few days? I believe a month had passed.

The CHAIRMAN. Let us see the date of the contract and check the date of the check.

The contract is July 5, is that correct? The check is dated in August.

Are there any further questions?

Mr. KENNEDY. I would like to find out why you were so interested in getting an ad in the dance book for local 649.

Mr. FINE. Actually, in that same book is a competitor of mine.

The CHAIRMAN. Let us see his ad, and see what he took?

Mr. FINE. At the time it was a smaller firm. He has a half page.

Mr. KENNEDY. Is it gold?

Mr. FINE. No, sir.

Mr. KENNEDY. Tell why you wanted to pay \$1,000 to advertise in the dance book of local 649.

The CHAIRMAN. He got a \$50 ad if he got a half page, according to the advertising here.

Mr. FINE. As I say, I don't recall seeing one of those, sir.

The CHAIRMAN. This slip may be made exhibit 12.

(The document referred to was marked "Exhibit No. 12," for reference and will be found in the appendix on p. 3978.)

Mr. KENNEDY. Why did you want to pay \$1,000?

Mr. FINE. At the time we were asked for an ad and we gave one. I guess I didn't think of it. It was an advertisement that was asked for, and that was it.

Mr. KENNEDY. Was it the understanding when you signed the contract which stipulated your employees would get only 85 cents an hour, was it understood at that time that you would pay \$1,000 for an ad?

Mr. FINE. My employees never received 85 cents an hour and I made no stipulation.

Mr. KENNEDY. That is the contract, that is what it provides, that your employees were to get 85 cents an hour. I am asking you whether there was an understanding at that time when they said your employees would only have to get paid 85 cents an hour, was it understood at that time that you would give them an ad in the dance book?

Mr. FINE. No, sir.

Mr. KENNEDY. There wasn't discussion about that?

Mr. FINE. No, sir, because if it was understood, I would have paid my men 85 cents an hour and I didn't.

The CHAIRMAN. This is the point: At the time you made the contract, did you have any understanding about taking an ad in this—what is it?

Mr. FINE. It is a souvenir journal.

No, sir. I subsequently learned of their affair in the journal a few weeks later.

The CHAIRMAN. You learned of it a week later? How did you learn about it?

Mr. FINE. I was approached by one of the men who asked me to contribute to their journal, and I did.

The CHAIRMAN. For \$1,000.

Do you regard that as a pretty generous contribution?

Mr. FINE. I had a pretty nice business at the time, sir. I would give them three times as much to get my business back to where it was.

Mr. KENNEDY. Who approached you on the ad?

Mr. FINE. It might have been Mr. Davidoff. I don't recall.

Mr. KENNEDY. You don't recall?

Mr. FINE. It may have been Mr. Davidoff.

Mr. KENNEDY. Did you meet Mr. Dio at all?

Mr. FINE. No, sir.

Mr. KENNEDY. Did you ever meet him?

Mr. FINE. No, sir.

Mr. KENNEDY. Are you sure of that?

Mr. FINE. If I see the man, I may have seen him, but I don't recall. If you told me this man was Mr. Dio right now, I would say I don't know.

The CHAIRMAN. All right, sir. You may stand aside.

Are there any other witnesses?

Mr. KENNEDY. That is all.

The CHAIRMAN. The committee will stand in recess until 2 o'clock Monday afternoon.

(Whereupon, at 4:47 p. m., the committee recessed, to reconvene at 2 p. m., Monday, August 5, 1957.)

(Members present at the taking of the recess: Senators McClellan and Goldwater.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

MONDAY, AUGUST 5, 1957

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee met at 2 p. m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senators John L. McClellan, Democrat, Arkansas; Irving M. Ives, Republican, New York; Karl E. Mundt, Republican, South Dakota; Barry Goldwater, Republican, Arizona; Carl T. Curtis, Republican, Nebraska.

Also present: Robert F. Kennedy, chief counsel; Paul J. Tierney, assistant counsel; Walter R. May, assistant counsel; Ruth Young Watt, chief clerk.

The CHAIRMAN. The committee will be in order.

(Members of the select committee present at the convening of the session were: Senators McClellan, Ives, and Curtis.)

The CHAIRMAN. The Chair has 1 or 2 announcements to make.

We received this morning from Mr. Marshall M. Miller, of New York, a telegram relating to testimony that was heard last week which resulted in his being discharged by the State legislative committee, New York State legislative committee on industrial and labor conditions in which capacity he was employed as a consultant. He requested an opportunity to appear before the committee and that opportunity will be granted him, but the Chair may note that his complaint, apparently, should be against the New York State legislative committee.

That is the committee that he was working for and the committee that discharged him, but under our rule if anyone feels that derogatory testimony has been given against him, that is unfair or that he desires to explain, we usually grant him an opportunity to appear.

In this instance as in others, we will have to do it at the committee's convenience. So, because this wire has been given out to the press, or because the press had information about it, the Chair thought it would make that announcement.

We have also received another wire from someone whose name was mentioned, and he denies the implications of the testimony, but he does not request any opportunity to appear before the committee and so no action will be taken on that wire.

Is there anything further before we proceed?

Mr. KENNEDY. Just on Max Chester, Mr. Chairman.

The CHAIRMAN. Mr. Max Chester, a witness subpoenaed to be here today, through his counsel, has requested that his appearance be postponed until tomorrow for sufficient reasons, we think, and, therefore, his testimony will not be heard today.

But he will be expected to be here tomorrow and called tomorrow afternoon.

Is there anything further?

Mr. KENNEDY. That is all.

The CHAIRMAN. Call the next witness.

Mr. KENNEDY. I might explain that we are going into two matters today, one dealing with the election for the joint council 16 in New York and the events that preceded it, and this incidentally also involves a man who received a charter from the UAW-AFL, which we call the bouncing charter and we will have testimony on these two points today, and our first witness will be a member of the staff, Mr. Paul Tierney.

The CHAIRMAN. Will you come around, Mr. Tierney?

TESTIMONY OF PAUL J. TIERNEY—Resumed

The CHAIRMAN. You have been previously sworn?

Mr. TIERNEY. I have, Mr. Chairman.

The CHAIRMAN. All right, Mr. Counsel, you may proceed. Mr. Tierney is a member of the staff, and he has been previously sworn, in this series of hearings, and he will remain under the same oath.

Mr. KENNEDY. I would like to have him identify this document, Mr. Chairman.

The CHAIRMAN. The Chair hands you a document entitled, "Applications for Charter, International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America," dated November 8, 1955, and please examine it and state if you identify it.

Mr. TIERNEY. I do identify it, Mr. Chairman.

The CHAIRMAN. What is it?

Mr. TIERNEY. This is an application for a charter which was issued to local 275, and the application is dated November 8, 1955, for an organization entitled, "Warehouse and Processing Jurisdiction in Greater New York Area, New York."

It has on it seven applicants who are Daniel Ornstein, Sam Getlan, Fred Russell, George Cohan, Martin Smith, Harold Thomas, James Watkins.

The CHAIRMAN. That document may be made exhibit No. 13.

(The document referred to was marked "Exhibit No. 13" for reference and will be found in the appendix on p. 3979.)

The CHAIRMAN. What does it do? Does it seek a charter and is it an application for a charter signed by those individuals?

Mr. TIERNEY. It is an application for a charter and the names are typewritten, but it is an application for a charter by those individuals, Mr. Chairman.

The CHAIRMAN. Where did we get the document?

Mr. TIERNEY. We got it from the offices of the International Brotherhood of Teamsters in Washington.

The CHAIRMAN. It was in their files?

Mr. TIERNEY. That is correct.

The CHAIRMAN. Was a charter issued on it, do you know?

Mr. TIERNEY. Yes, sir, it was.

The CHAIRMAN. A charter was issued on that application that you hold in your hand?

Mr. TIERNEY. That is correct.

The CHAIRMAN. All right.

Mr. KENNEDY. Now, Mr. Tierney, that is local 275 of the teamsters; is that right?

Mr. TIERNEY. That is correct.

Mr. KENNEDY. And that local according to our chart, shops from that local came out of 875 of the teamsters, which had been in existence.

Mr. TIERNEY. That is right.

Mr. KENNEDY. And 875 we will show later, was controlled by Mr. Tony Ducks Corallo; is that right?

Mr. TIERNEY. Yes, sir.

Mr. KENNEDY. Now, the important name on that charter application that you have just read is what?

Mr. TIERNEY. Sam Getlan.

Mr. KENNEDY. He was the second name that you read?

Mr. TIERNEY. That is right.

Mr. KENNEDY. Thank you. We have another—How do you spell his name?

Mr. TIERNEY. G-e-t-l-a-n.

The CHAIRMAN. I hand you another document, photostatic copy of a letter dated December 1, 1955, addressed to the joint council 16, Martin T. Lacey, president, New York, signed by Harry Davidoff, secretary-treasurer of Warehouse and Processors Employees Union Local 258.

Is that the same union that the charter referred to, or the same local?

Mr. TIERNEY. No, sir; it is a different union.

The CHAIRMAN. I hand you this document and I ask you to examine it and see if you identify it and state what it is.

Mr. TIERNEY. I do identify this document, Mr. Chairman, and it is a photostatic copy of a letter dated December 1, 1955, from Local 258, Warehouse and Processors Employees Union, of the teamsters, and to joint council 16, Mr. Martin T. Lacey, president, listing the names and titles of officers of local union 258 and requesting that they be seated as delegates to the joint council 16.

It is signed by Harry Davidoff, secretary-treasurer.

The CHAIRMAN. What names appear there?

Mr. TIERNEY. The seven officers listed are Sam Getlan, president, the same spelling as the previous name.

The CHAIRMAN. Are they identical with the charter application?

Mr. TIERNEY. No, they are not, Mr. Chairman.

The CHAIRMAN. Proceed to read them.

Mr. TIERNEY. The other names in addition to Sam Getlan are Richard Easton, vice president, Harry Davidoff, secretary-treasurer, and Manny Baglini, recording secretary, and Anthony Barbera, trustee, David Koch, trustee, and Charles Kapelowitz, trustee.

The only name that is the same is Sam Getlan, as I recall, the president, Mr. Chairman.

The CHAIRMAN. All right, proceed. That document may be made exhibit No. 14.

(The document referred to was marked "Exhibit No. 14" for reference and will be found in the appendix on p. 3980.)

Mr. KENNEDY. There is a distinction between the two kinds of documents. No. 1 for local 275, that was an application for a charter; is that right?

Mr. TIERNEY. That is correct.

Mr. KENNEDY. Now, that was for local 275. This is a request from the secretary-treasurer, Harry Davidoff, from local 258, that the officers of that local be seated; is that right?

Mr. TIERNEY. That is correct.

Mr. KENNEDY. In joint council 16, once they were seated, then they could vote in the election, and this was a request from 258, which is one of the paper locals, to vote or to have these people seated in the election.

The CHAIRMAN. This reads:

The following are the names and titles of the officers of local union 258, and same are requested to be seated as delegates to joint council 16.

(At this point, Senator Mundt entered the hearing room.)

Mr. KENNEDY. There are 7 names here and each local as we have pointed out before, would have 7 votes?

Mr. TIERNEY. Yes, sir.

Mr. KENNEDY. And they have seven votes no matter how big the local is, is that right?

Mr. TIERNEY. That is true.

Mr. KENNEDY. And this local at that time had no members.

Mr. TIERNEY. That is true.

Mr. KENNEDY. This local 258?

Mr. TIERNEY. That is right.

Mr. KENNEDY. And they list seven people that would have a right to vote in the election for the president of the joint council, isn't that correct?

Mr. TIERNEY. Yes, sir.

Mr. KENNEDY. And that is local 258 over here on our paper locals. Now, local 258 gave as its address, 10 Park Avenue; is that right?

Mr. TIERNEY. That is correct.

Mr. KENNEDY. That is in Mount Vernon, N. Y.?

Mr. TIERNEY. Yes, sir.

Mr. KENNEDY. Now, this also fits in again and gets into some complications, Mr. Chairman, but we will have to try to go through it. This 258 lists as its address 10 Park Avenue, Mount Vernon, N. Y. What local was at that address?

Mr. TIERNEY. Ten Park Avenue, Mount Vernon, N. Y., was the address of 228 and it was actually a second address of local 228.

Mr. KENNEDY. It was the second address of this local 228 here?

Mr. TIERNEY. That is correct.

Mr. KENNEDY. Now, that local 228 had a new address?

Mr. TIERNEY. That actually was the second or new address.

Mr. KENNEDY. Did it have an old address?

Mr. TIERNEY. Yes, sir.

Mr. KENNEDY. Now, did certain of these locals over here give the old address of local 228?

Mr. TIERNEY. Yes, sir; and local 651 of one of the teamsters paper locals, gave the old address of local 228, on its letterhead.

Mr. KENNEDY. Did any other local give an address similar to the old address of 228?

Mr. TIERNEY. Yes; local 362 gave an address of 19 Columbia Street in West Hempstead, which was actually we found out to be a fictitious address.

Mr. KENNEDY. So 362 gave a fictitious address, 19 Columbia Street?

Mr. TIERNEY. 119 West Columbia Street in Hempstead.

Mr. KENNEDY. Which was the old address of 228; is that right?

Mr. TIERNEY. That is right.

Mr. KENNEDY. Now, did 362, which gave the fictitious address, and 651 give the same telephone number?

Mr. TIERNEY. Yes, they did.

Mr. KENNEDY. They both had the same telephone number?

Mr. TIERNEY. That is right.

Mr. KENNEDY. Which was the old address of 228?

Mr. TIERNEY. That is correct.

Mr. KENNEDY. And did they, in fact, 362 and 651 actually have the address of 649, and operate out of 649?

Mr. TIERNEY. To all intents and purposes they did operate out of 649, although on their letterhead they listed the address in Hempstead, and actually they were paper locals, and were not operating as such at the time.

The CHAIRMAN. At that time, did they have any members?

Mr. TIERNEY. None that we know of, no; they didn't.

The CHAIRMAN. You are unable to find any members at that time?

Mr. TIERNEY. Not at that time.

The CHAIRMAN. And they were giving these fictitious addresses and also sending delegates there to be seated and to vote?

Mr. TIERNEY. That is right.

The CHAIRMAN. In the Joint Council 16?

Mr. TIERNEY. That is right.

The CHAIRMAN. All right; call the next witness.

Mr. KENNEDY. Mr. Sam Getlan.

The CHAIRMAN. Will you be sworn first, please?

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. GETLAN. I do.

TESTIMONY OF SAM GETLAN

The CHAIRMAN. State your name and place of residence, and your business or occupation, please, sir.

Mr. GETLAN. Sam Getlan, 420 West 206th Street, Manhattan.

The CHAIRMAN. Can you speak a little louder?

Mr. GETLAN. 420 West 206th Street, Manhattan.

The CHAIRMAN. What is your business or occupation?

Mr. GETLAN. Secretary-treasurer of Coin Machine Employees Union Local 26.

The CHAIRMAN. Local what?

Mr. GETLAN. Local 26.

The CHAIRMAN. What international is that?

Mr. GETLAN. I didn't hear the question.

The CHAIRMAN. You are secretary-treasurer, you said, I believe of local 26, of what international union?

Mr. GETLAN. International Jewelry Workers Union.

The CHAIRMAN. International Jewelry Workers Union?

Have you talked to members of the staff regarding your testimony?

Mr. GETLAN. Yes, sir.

The CHAIRMAN. You know generally then, the line of interrogation to expect?

Mr. GETLAN. Yes, sir.

The CHAIRMAN. You waive the right of counsel?

Mr. GETLAN. Yes, sir.

The CHAIRMAN. All right; thank you.

Proceed.

Mr. KENNEDY. Mr. Chairman, I would like to point out as we start that Mr. Getlan has been sick, and has lost some 50 pounds over a short period of time and he is not a well man, but he has been answering the questions of the committee. I would like to point that out before we start.

The CHAIRMAN. He has been cooperating with the staff?

Mr. KENNEDY. That is right.

The CHAIRMAN. We will extend you every courtesy and consideration. If you get tired, let us know.

Mr. GETLAN. Yes, sir.

Mr. KENNEDY. I would like to have Mr. Getlan identify this.

The CHAIRMAN. I hand you here an exhibit to the testimony of this committee, exhibit No. 13, entitled "An Application for a Charter," dated November 8, 1955, and I ask you to examine this document and state whether you identify it and whether you have ever seen it before, and give us any information you can about it.

(A document was handed to the witness.)

Mr. GETLAN. It is the first time I ever saw it.

The CHAIRMAN. The first time you ever saw it?

Mr. GETLAN. Yes, sir.

The CHAIRMAN. Your name is on that document?

Mr. GETLAN. Yes; it is on the second line.

The CHAIRMAN. Your name appears second on the list of seven that are applying for a charter.

Mr. GETLAN. That is right.

The CHAIRMAN. There is no handwriting there?

Mr. GETLAN. That is right.

The CHAIRMAN. Did you authorize anybody to place your name on an application of that kind?

Mr. GETLAN. I don't know anything about it.

The CHAIRMAN. You know nothing about it?

Mr. GETLAN. Absolutely not.

The CHAIRMAN. All right, Mr. Kennedy, you can proceed.

Mr. KENNEDY. That is for local 275, and you did not apply for that charter?

Mr. GETLAN. That is right.

Mr. KENNEDY. You did not tell anyone they could use your name in applying for the local, for the charter for 275?

Mr. GETLAN. I don't know any of the signatures on there, the names that are on there.

Mr. KENNEDY. Do you know any of the other people?

Mr. GETLAN. Not a one.

Mr. KENNEDY. Did you know of the existence of local 275?

Mr. GETLAN. No, sir.

Mr. KENNEDY. Do you know Mr. Milton Levine?

Mr. GETLAN. No, sir.

Mr. KENNEDY. Do you know Mr. Irving Slutsky?

Mr. GETLAN. No.

Mr. KENNEDY. Do you know Sam Zaber?

Mr. GETLAN. No, sir.

Mr. KENNEDY. They are all officers of that local.

Mr. GETLAN. I don't know them.

Mr. KENNEDY. I would like to have you identify this application to be seated for the joint council 16, as a representative of local 258. Again, 258 is one of the paper locals of the teamsters.

The CHAIRMAN. The Chair hands you exhibit No. 14, which is a photostatic copy of a letter from Harry Davidoff, secretary-treasurer of Local 258, Warehouse and Processing Employees Union, and the letter is addressed to joint council 16, Martin T. Lacey, president, dated December 1, 1955, and I will ask you to examine that document and state if you identify it and what you know about it.

(A document was handed to the witness.)

(At this point, Senator Curtis withdrew from the hearing room.)

Mr. GETLAN. It is the first time I have ever seen this letter, and I don't know anything about it.

The CHAIRMAN. What is that?

Mr. GETLAN. It is the first time I have ever seen this letter and I don't know anything about it.

The CHAIRMAN. Your name is certified there by Mr. Davidoff as secretary-treasurer of that local.

Mr. GETLAN. As president.

The CHAIRMAN. Your name is certified as president of that local?

Mr. GETLAN. Yes, sir.

The CHAIRMAN. And asked to be seated as a delegate to Joint Council 16, which would give you voting rights.

Did you know that you were there as a delegate of that union?

Mr. GETLAN. No, sir; I never knew.

The CHAIRMAN. Did you attend the meeting?

Mr. GETLAN. No, sir; I never did.

The CHAIRMAN. So again, your name has been used without your knowledge.

Mr. GETLAN. That is right.

The CHAIRMAN. You never heard of that local before?

Mr. GETLAN. No.

The CHAIRMAN. Did you give any authority for anybody to certify you as a delegate?

Mr. GETLAN. No, sir.

The CHAIRMAN. You were never consulted about it?

Mr. GETLAN. That is right.

The CHAIRMAN. All right. Thank you.

Senator MUNDT. Can you give the committee any explanation that would help us understand how your name happened to be on there?

Mr. GETLAN. I don't know anything about this.

Senator MUNDT. You have no idea whatsoever?

Mr. GETLAN. Absolutely none, and I never attended any election, and I didn't know I was elected president.

The CHAIRMAN. Did you ever function as president of that union in any way?

Mr. GETLAN. No, sir; I was never elected president, as far as I know.

Senator IVES. Just a moment, Mr. Chairman.

Do you know of any reason why anybody should put you on there as president?

Mr. GETLAN. Do I know of a reason?

Senator IVES. Yes.

Mr. GETLAN. Absolutely none. They have not got my permission to do it.

Senator IVES. I gathered they haven't got your permission, but do you know of any reason why they would do it?

Mr. GETLAN. Well, maybe they needed an officer, and that is all.

Senator IVES. All right.

Mr. KENNEDY. Mr. Getlan, could you tell the committee what the address is that is used for 256, on which you are listed as president?

Mr. GETLAN. 10 Park Avenue, that is my address, that is my phone number, too. That is where I have my office in local 26.

Mr. KENNEDY. So they not only used you as president of a local, but they used your address and phone number.

Mr. GETLAN. Not my home number.

Mr. KENNEDY. Your telephone number?

Mr. GETLAN. My office number and phone number.

Mr. KENNEDY. Did you get any mail there for that local?

Mr. GETLAN. Yes; I did get mail for that local, and finally I got tired of the mail and I sent it back. I told the mailman not to deliver any more mail for the teamsters union at my office.

Mr. KENNEDY. That address, was that address for local 228 and that had been there?

Mr. GETLAN. Yes, sir.

Mr. KENNEDY. That is 228 of the UAW?

Mr. GETLAN. That is right.

Mr. KENNEDY. Would you identify this, please?

The CHAIRMAN. I hand you what purports to be a photostatic copy of a letter dated February 2, 1956, from Harry Davidoff, secretary-treasurer, to joint council 16. It is on Warehouse and Processing Employees Union, Local 256, Park Avenue, Mount Vernon, N. Y., and I will ask you to examine this photostatic copy, and see if you know anything about it and if you can identify it.

(A document was handed to the witness.)

Mr. GETLAN. This is all new to me. All of this information where I am president, I don't know any of the members, either.

The CHAIRMAN. Will you read the letter?

Mr. GETLAN (reading):

In accordance with the order of—

It is addressed to the Local Council 16, International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers Union of America, 265 West 14th Street, Room 709, New York, N. Y.

DEAR SIR AND BROTHER: In accordance with your letter of January 19, 1956, we give you below a list of officers of our local union who are eligible to vote in the joint council election:

Sam Getlan, president; Richard Easton, vice president; and Harry Davidoff, secretary-treasurer; and Manny Baglini, recording secretary; Anthony Barbera, trustee; and David Koch, trustee; and Charles Kapelowitz, trustee.

Fraternally yours,

HARRY DAVIDOFF,
Secretary-Treasurer.

The CHAIRMAN. Did you attend the meeting?

Mr. GETLAN. No, sir; I don't even know where it was held.

The CHAIRMAN. You do not even know where it was held?

Mr. GETLAN. That is right.

The CHAIRMAN. Do you know any of those other people on there?

Mr. GETLAN. I don't know any of them.

The CHAIRMAN. You do not know any of them?

Mr. GETLAN. That is right.

The CHAIRMAN. You did not attend as a delegate and you did not vote as such?

Mr. GETLAN. That is right.

The CHAIRMAN. Do you know who substituted for you?

Mr. GETLAN. I said I don't know any of them, and I don't know who substituted, and I wasn't there.

The CHAIRMAN. Thank you.

That document may be made exhibit No. 15.

(The document referred to was marked "Exhibit No. 15" for reference and may be found in the files of the select committee.)

Senator MUNDT. You testified a little earlier that you received mail addressed to you as president.

Mr. GETLAN. Addressed to me at my address, with the teamsters' local, you understand. I don't remember what local it was, whether it was 256 or 385, but mail came to my office at 10 Park Avenue, Mount Vernon, N. Y. We are the only union at 10 Park Avenue.

Senator MUNDT. You got the mail. Did you open any of it?

Mr. GETLAN. No.

Senator MUNDT. You said you returned it?

Mr. GETLAN. I gave it, or I told the girl to bring it back to the mailbox—and there is a mailbox hanging on the wall—and put it in the mailbox.

Senator MUNDT. How did you know the mail was not intended for you if you had the name on it?

Mr. GETLAN. It was addressed to me, at my address, and if it was addressed to me personally I would open it up. I got tired of opening it up, and after getting a few letters I got tired of opening the same letters.

Senator MUNDT. So you started getting the letters and you opened a few of them and you found out that they dealt with the business of some other union besides yours; is that right?

Mr. GETLAN. That is right. It was the teamsters' union, and they are addressing it to them, and it was teamsters' information, and I could not help them on that.

Senator MUNDT. Who were the letters from?

Mr. GETLAN. John English, I believe, the secretary-treasurer of the teamsters.

Senator MUNDT. So that during the first few instances, while you were receiving the mail and opening it, because you had a perfect right to open it, and it came to your address, and you have a right to open that mail——

Mr. GETLAN. That is right.

Senator MUNDT. And you read it and you saw they were talking to you about the teamsters' business, and it was signed by John English, whom I suppose you did not know.

Mr. GETLAN. I received a letter from Ohio, or out in California, about a trucking concern out in that section, coming into my area, and please see that they are unionized.

Senator MUNDT. So you wrapped it back up in an envelope and sent it back.

Mr. GETLAN. I got tired of getting mail in, and I told the mailman, and he usually comes to the office and I see him about once a week, and I instructed him, "Do not deliver teamsters' mail here."

(At this point, Senator Curtis entered the hearing room.)

Senator MUNDT. Do you remember any other letters, the authors of any other letters besides Mr. English, and do you remember anybody else who wrote those letters?

Mr. GETLAN. No; I don't know. I don't know who any other letters came from, for the teamsters union.

Senator MUNDT. Do you remember, Mr. English?

Mr. GETLAN. I remember that name, English; yes.

Senator MUNDT. All right.

The CHAIRMAN. The Chair presents to you a photostatic copy of another letter, dated February 2, 1956, addressed from Harry Davidoff, secretary-treasurer to joint council 16, and I will ask you to examine it and state if you know anything about it or you can identify it.

(A document was handed to the witness.)

Mr. GETLAN. In other words, that is supposed to be my signature there, too.

The CHAIRMAN. I think not. I think they just filled in your name there.

Mr. GETLAN. They filled it in. I don't know anything about it.

The CHAIRMAN. You cannot identify it and you know nothing about it and you never saw or heard of it before?

Mr. GETLAN. No.

The CHAIRMAN. Will you read the letter?

Mr. GETLAN. This is addressed to the Joint Council 16, IBFT, 265 West 14th Street, New York 11, N. Y.

DEAR SIR AND BROTHER: This will certify that the bearer, Sam Getlan, is an executive board member of local 258 and is eligible to vote in the joint council election.

Fraternally yours,

HARRY DAVIDOFF,
Secretary-Treasurer.

The CHAIRMAN. Did you ever become the bearer of that letter?

Mr. GETLAN. No, sir.

The CHAIRMAN. Again, you did not vote?

Mr. GETLAN. Absolutely not.

The CHAIRMAN. That letter may be made exhibit No. 16.

(The document referred to was marked "Exhibit No. 16" for reference and may be found in the files of the select committee.)

Senator MUNDT. I am just wondering, since we have elicited from the witness the fact that at least John English thought he was president of this fictitious local, I am wondering whether our counsel or

staff has been in contact with Mr. English to find out how he happened to be of the opinion that this man was president of the local union.

Mr. KENNEDY. These documents were furnished, once the international granted these charters, originally because of the request of Jimmy Hoffa, once the international granted these charters, these names of people were listed as officers.

Mr. Sam Getlan was one of those, or that name was listed as president of local 258, so that all correspondence then, from the international to 258 would be sent to Mr. Getlan, at this address that had been given.

Senator MUNDT. So that Mr. English's office would have received this information from the office of Jimmy Hoffa?

Mr. KENNEDY. No; we are going to go into exactly how it was done, Senator, but they received this information from an individual in New York whose name will come out.

Actually, it is on there now, on the chart, John McNamara. He came down and the information was given to John English, and to the international here in Washington, D. C. That is as to who the officers were going to be.

Senator MUNDT. As far as Mr. English was concerned, he was as badly deceived as the man now on the witness stand?

Mr. KENNEDY. That is correct.

The CHAIRMAN. Are there any further questions?

Mr. KENNEDY. As I said, we are going to take up two matters today, and Mr. Getlan is involved in the second matter, but prior to that maybe we could finish this story as far as Mr. Getlan is concerned by putting a staff member on, to find out how Mr. Getlan voted.

The CHAIRMAN. Will you come around, please?

Just keep your seat and he may sit there by your side.

Mr. KENNEDY. You do not know how you voted, do you, Mr. Getlan?

Mr. GETLAN. I never voted. I never attended the election.

Mr. KENNEDY. You voted, Mr. Getlan.

Mr. GETLAN. I voted?

TESTIMONY OF PAUL J. TIERNEY—Resumed

The CHAIRMAN. All right, Mr. Tierney, you have been sworn. As an investigator for this committee, you have heard the testimony of Mr. Getlan that he did not serve as an officer, and he did not even know he was an officer, and yet he was appointed a delegate and certified as such with voting rights to the meeting of joint council 16. Are there any comments you have to make from your investigation?

Mr. TIERNEY. Yes, sir, Mr. Chairman. The votes we are discussing are the votes of the officers of the seven paper locals. The local we are discussing here is local 258. The credentials committee of the joint council prior to the election agreed that each individual prior to voting would present a credential.

The CHAIRMAN. What?

Mr. TIERNEY. Present a credential prior to voting. The 7 paper locals, it was ultimately discovered, cast a total number of votes, cast a total of 42 votes; and, by order of the general president, Dave Beck, these votes from the paper locals were impounded in a vault, in New York, and not to be counted until it might be determined

whether or not the votes would actually affect the outcome of the election.

The CHAIRMAN. His was 1 of the votes of the 7 paper locals?

Mr. TIERNEY. That is right.

The CHAIRMAN. Mr. Getlan's was, as far as the documentation is concerned?

Mr. TIERNEY. Yes, sir.

The CHAIRMAN. And these votes were to be deposited, or in other words held in escrow until it was determined whether they were needed?

Mr. TIERNEY. That is correct.

The CHAIRMAN. If they were not needed, they would not be used; and, if they were, then these phony votes would be thrown in.

Mr. TIERNEY. That is correct. We examined the credentials and the votes which were together in the vault, in New York.

The CHAIRMAN. Are they in possession of a court now?

Mr. TIERNEY. No; the credentials we have are not in the court. They were impounded by orders of the general president and not in the possession of the court and never were.

The CHAIRMAN. Impounded by order of whom?

Mr. TIERNEY. The general president of the teamsters, Mr. Dave Beck. We examined the votes, and the credentials which accompanied them, and there were 42 credentials and 42 votes cast. We could only assume that the credentials pertained to the actual votes which were cast. All 42 votes were cast for John O'Rourke.

The CHAIRMAN. That is for president of the joint council?

Mr. TIERNEY. For president of the joint council. One of the credentials there presumably was issued to Sam Getlan, so we can safely presume it was Sam Getlan or an individual using his credentials voted in the election.

The CHAIRMAN. In other words, this certificate of authority to vote which has been made exhibit No. 16, I believe, you found that there?

Mr. TIERNEY. That is correct.

The CHAIRMAN. There were 42 votes cast, and this is one of the certifications of voting rights?

Mr. TIERNEY. That is correct.

The CHAIRMAN. And it would take the vote on this certificate to make up the 42 that were authenticated and authorized to vote?

Mr. TIERNEY. That is correct.

The CHAIRMAN. The record does not show, then, other than the name of Mr. Getlan, as being present and voting. In other words, the record—there is nothing in the record to reflect who else may have cast the vote for him, or in his name?

Mr. TIERNEY. Nothing in the record.

The CHAIRMAN. You know someone did, because—

Mr. TIERNEY. We know someone cast the vote, but we don't know who cast the vote.

The CHAIRMAN. From the record, there are 42 certifications and 42 votes cast?

Mr. TIERNEY. That is correct.

The CHAIRMAN. And his name was one of those that was certified as a right to vote?

Mr. TIERNEY. That is correct.

The CHAIRMAN. There were 42 votes?

Mr. TIERNEY. Yes, sir.

The CHAIRMAN. Is there anything else?

Mr. KENNEDY. Somebody, either Sam Getlan voted or someone voted for him.

Mr. TIERNEY. Someone voted, because there were 42 votes cast, and there were 42 credentials, and someone voted, either Mr. Getlan or somebody else.

Mr. KENNEDY. Someone in his name?

Mr. TIERNEY. Someone in his credential.

Mr. KENNEDY. And he has testified, of course, that he didn't vote, so somebody else voted in Mr. Sam Getlan's name.

Mr. TIERNEY. That is correct.

The CHAIRMAN. You may stand aside for the present.

Mr. KENNEDY. Now we are going on to local 228 of the UAW, Mr. Chairman.

TESTIMONY OF SAM GETLAN—Resumed

Mr. KENNEDY. You were an officer of 228?

Mr. GETLAN. Yes, sir.

Mr. KENNEDY. Now, I would like to have some preliminary explanation of 228 by a member of the staff, if Mr. Getlan could step aside.

The CHAIRMAN. All right; have the member of the staff come around.

You have not been previously sworn, have you?

Mr. MAY. No, sir.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MAY. I do.

The CHAIRMAN. Be seated.

TESTIMONY OF WALTER R. MAY

The CHAIRMAN. State your name and place of residence and your business or occupation and your present employment.

Mr. MAY. I am Walter R. May, Arlington, Mass., assistant counsel, United States Senate Select Committee on Improper Activities in the Labor or Management Field.

The CHAIRMAN. Counsel suggests you give some of your background, briefly, for the record.

Mr. MAY. Mr. Chairman, I served in the Navy Air Corps during the war and I attended Boston University Law School, and entered the FBI in 1948. I left the FBI in 1954, and I worked for a period with the Boston Post, in Massachusetts.

The CHAIRMAN. Proceed.

Mr. KENNEDY. You are familiar with this situation regarding the UAW-AFL locals?

Mr. MAY. Yes, sir; I am.

Mr. KENNEDY. And you are familiar particularly with Local 228 of the UAW-AFL?

Mr. MAY. Yes, sir; I am.

Mr. KENNEDY. These were locals that were chartered under Mr. Johnny Dio; is that correct?

Mr. MAY. That is correct.

Mr. KENNEDY. In New York City, is that right?

Mr. MAY. Yes, sir.

Mr. KENNEDY. Now, did you identify for the committee Mr. Anthony Doria?

Mr. MAY. Anthony Doria is secretary-treasurer, international secretary-treasurer of the Allied Industrial Workers of America.

Mr. KENNEDY. Now, the Allied Industrial Workers of America is what used to be the UAW-AFL; is that right?

Mr. MAY. Yes, sir.

Mr. KENNEDY. They changed their name during 1956, to the Allied Industrial Workers of America?

Mr. MAY. That is true.

Mr. KENNEDY. And we had some correspondence regarding local 228 with Mr. Anthony Doria?

Mr. MAY. Yes, sir; we did.

The CHAIRMAN. Did he furnish you certain documents?

Mr. MAY. Yes, Mr. Chairman.

The CHAIRMAN. And responded in request to letters that you directed to him?

Mr. MAY. That is correct.

The CHAIRMAN. I hand you a document here that appears to be a photostatic copy of a document entitled "Local 228," and I ask you to examine this particular document, photostatic copy, and see if you identify it, and if so, state what it is.

Mr. MAY. Mr. Chairman, I identify this exhibit by letter dated December 29, 1956, the committee requested certain information.

The CHAIRMAN. Dated what date?

Mr. MAY. December 29, 1956, and we requested information from Mr. Doria concerning certain locals, UAW locals.

The CHAIRMAN. That was the other committee requesting it, the Permanent Subcommittee on Investigations?

Mr. MAY. Yes, sir; and this particular document is that portion of Mr. Doria's answer, return letter, which pertains to local 228.

The CHAIRMAN. All right. It may be made exhibit No. 17.

Mr. KENNEDY. Would you read the pertinent parts?

The CHAIRMAN. It may be printed in the record, but you may read the pertinent parts of it.

Mr. MAY. We requested certain items of information from Mr. Doria. First we asked for a photostatic copy of the original request for the charter, for local 228. Mr. Doria replied:

This local never became active, and since the charter was issued on November 9, 1953, all records of this local union have been destroyed as far as the international office is concerned. For this reason, no photostatic copy of the charter application can be furnished.

The CHAIRMAN. What information do we have as to when the charter was applied for?

Mr. MAY. I don't believe we have information concerning that, Mr. Chairman.

The CHAIRMAN. I understand the charter had been granted in November of 1953.

Mr. MAY. Yes, sir.

The CHAIRMAN. And in the meantime, Mr. Doria reports in his letter to you and in reply to the letter from the committee, that the union never became active.

Mr. MAY. That is correct.

The CHAIRMAN. And that all records regarding it and the international had been destroyed?

Mr. MAY. That is true.

The CHAIRMAN. Are there any further questions?

Mr. KENNEDY. That is the important part of that. Go ahead.

Mr. MAY. Later in this same document, Mr. Doria in answer to another query stated:

The local never became active; local is not active now. The charter was withdrawn and canceled, and local 228 is no longer in existence, and it has not been in existence since approximately 1955.

The CHAIRMAN. He reported in 1956, that it had not been active since when?

Mr. MAY. It had never been active. And he said the charter was withdrawn and canceled and local 228 is no longer in existence, and it has not been in existence approximately since 1955. Although he says it never became active.

The CHAIRMAN. And all records regarding it had been destroyed?

Mr. MAY. That is true.

Mr. KENNEDY. The second point that is important, is that he says in there that the charter was withdrawn, and canceled in approximately 1955.

Mr. MAY. In the previous paragraph, Mr. Doria also said:

This local union was dissolved, and the charter withdrawn some time in 1955.

Mr. KENNEDY. Those two things are of particular note.

The CHAIRMAN. That document may be printed in full in the record at this point.

(The document referred to was marked "Exhibit No. 17." and is as follows:)

1. Photostatic copy of original request for charter. (This local never became active and since the charter was issued on November 9, 1953, all records of this local union have been destroyed as far as the international office is concerned. For this reason no photostatic copy of charter application can be furnished.)

2. Photostatic copy of the original charter issued to this local. (Local union not in existence, no charter in existence.)

3. The identity of all officers or organizers on record with the International since the original chartering of this local. (The international office retains no records listing people who were associated with this local union.)

4. The date and nature of any action taken by the International with respect to any New York area local which affected its charter such as the revocation or suspension thereof. (This local was also suspended and the charter revoked by action of former President Washburn on April 22, 1954, but although the local union still had not attained active status, the charter was again reinstated on or about May 11, 1954. The local union was dissolved and the charter withdrawn sometime in 1955.)

5. A statement as to this local with respect to whether or not it is presently active, inactive, and/or dormant. If inactive or dormant, how long in such a status? Is the charter still outstanding, or has it been canceled? (Local never became active—local is not active now—the charter was withdrawn and canceled and local No. 228 is no longer in existence and has not been in existence since approximately 1955.)

6. The listed address of each local whether active or inactive. (Local not in existence, no records available.)

Mr. KENNEDY. In view of the statement by Mr. Doria, that that local union 228 never became active, would you identify this document, please?

The CHAIRMAN. I hand you a photostatic copy of a document entitled, "Labor Organization Registration Form, Public Law 101, 80th Congress," and ask you to examine it and state if you identify it, and if so, what it is and where you procured it.

(A document was handed to the witness.)

Mr. MAY. This is a copy of a labor-organization registration form dated June 8, 1954, which carries a signature, Sidney Hodes, financial secretary and treasurer. We received this document from our Department of Labor.

The CHAIRMAN. That is a photostatic copy of a document in the Department of Labor, official document?

Mr. MAY. Yes, Mr. Chairman.

The CHAIRMAN. All right.

Mr. MAY. It would be well to point out that here they give the full name of the organization as the United Automobile Workers Union, Local 228, AFL. They list the address as 119 West Columbia Street, Hempstead, Long Island, and they give the international union as United Automobile Workers, AFL, Milwaukee, Wis.

The officers are listed as George Doyle, president, Sidney Hodes as secretary-treasurer, and Paul Newman, recording secretary.

The CHAIRMAN. What is the date of that?

Mr. MAY. That is June 8, 1954.

The CHAIRMAN. Well now, according to the testimony, or according to the report of Mr. Doria, the charter for 228 of that local had never been active.

Mr. MAY. That is correct.

The CHAIRMAN. And it had never been activated.

Mr. MAY. That is right.

The CHAIRMAN. And he claims that the charter was withdrawn in 1955.

Mr. MAY. Yes, sir.

The CHAIRMAN. What does that indicate, that it was active, and that they were making reports under it?

Mr. MAY. This is simply evidence that a charter was issued and three individuals at least were involved, and they did have a president, secretary, and a recording secretary, and we shall show later that that becomes pertinent because of a change of officers, a total change of the charter.

The CHAIRMAN. That is a report required to be filed under law, under Public Law 101, 80th Congress.

Mr. MAY. Yes.

The CHAIRMAN. It was complying or it was functioning, and it was filing reports required under the law, as of that date, 1954?

Mr. MAY. Yes.

Mr. KENNEDY. Does it also show a salary there for one of the officers?

Mr. MAY. It shows \$5,200 for President George Doyle.

Mr. KENNEDY. Does it show how he came to be president of the local?

Mr. MAY. In answer to the question "How selected?" it shows "elected" for all three officers.

Mr. KENNEDY. Who are the other two?

Mr. MAY. Sidney Hodes, secretary-treasurer, and Paul Newman, recording secretary.

Mr. KENNEDY. And it shows they all three were elected, is that right?

Mr. MAY. That is correct.

Mr. KENNEDY. Now Sidney Hodes is of some importance to us, is he not, in this investigation?

Mr. MAY. He is.

Mr. KENNEDY. He came out of local 649.

Mr. MAY. That is true.

Mr. KENNEDY. Mr. Dio's own local.

Mr. MAY. That is right.

The CHAIRMAN. That document may be made exhibit No. 18 for reference.

(The document referred to was marked "Exhibit No. 18" for reference and will be found in the appendix on pp. 3981, 3982.)

Mr. KENNEDY. At this time, the local supposedly was inactive, at least one of the officers was getting a salary of \$5,200, and three of the officers were elected to their positions.

Mr. MAY. That is correct.

Mr. KENNEDY. And you gave as the address, 119 West Columbia Street, Hempstead, Long Island?

Mr. MAY. Yes, sir.

Mr. KENNEDY. That is the address that was given by the two paper locals of 362 and 651.

Mr. MAY. That is correct.

The CHAIRMAN. I hand you another similar document, photostatic copy of labor organization registration form under Public Law 101, 80th Congress, and ask you to examine it and state if you identify it.

(A document was handed to the witness.)

Mr. MAY. I identify this as a copy of a labor organization registration form dated September 18, 1955, carrying the signature of Sam Getlan, secretary-treasurer. We received this also from the Department of Labor.

The CHAIRMAN. That is another report required under the law, and it is on the same form as the one you previously testified to?

Mr. MAY. That is right.

The CHAIRMAN. It appears that they were reporting as late as September 18, 1955, on this same local, 228.

Mr. MAY. That is correct. Although this document differs in many respects from the previous document.

The CHAIRMAN. Point out who it is reported as officers of 228 at that time, a year later than the previous report.

Mr. MAY. At this time, Sam Weiss is shown as president, total compensation and allowances for the year, \$6,250.

And this document shows that Mr. Weiss was elected.

Sam Getlan is shown as secretary-treasurer, total compensation and allowances, \$8,840, and elected.

Caneo Trotta, shown as recording secretary, total compensation and allowances for the year—none.

He was elected.

Also, we note that the full name of the organization differs from the previous document. Is shown as Coin Machine Employees

Union, Local 228, AFL. The address is shown as 10 Park Avenue, Mount Vernon, N. Y., and the parent or international union is shown as United Automobile Workers of America, AFL, Washington, D. C.

The CHAIRMAN. Is that the same charter or reported under the same charter?

Mr. MAY. Evidence will be brought out later, Mr. Chairman, which will show it is the same charter.

The CHAIRMAN. It is the same number and affiliated with the same international?

Mr. MAY. That is right.

The CHAIRMAN. Although it shows a different set of officers a year later, and different salaries, and it shows they were all elected, just as the other set of officers were elected.

Mr. MAY. That is true.

The CHAIRMAN. And it also is under the same charter?

Mr. MAY. Yes, sir.

The CHAIRMAN. And it shows that it was active at least as late as September 8, 1955.

Mr. MAY. Yes, sir.

The CHAIRMAN. It is operating, whether the international knew about it or not.

Mr. MAY. That is correct.

The CHAIRMAN. And it was filing reports required under the law.

Mr. MAY. Yes, sir.

The CHAIRMAN. All right.

This may be made exhibit No. 19.

(The document referred to was marked "Exhibit No. 19" for reference and will be found in the appendix on pp. 3983-3984.)

TESTIMONY OF SAM GETLAN—Resumed

The CHAIRMAN. Mr. Getlan, you have heard the testimony there, that you received a salary of \$8,840, salary and allowances in 1955, as secretary-treasurer of local 228, that we have been talking about.

Did you receive such salary?

Mr. GETLAN. I don't believe so. Let me see a pencil and paper. That is \$8,800 and what?

The CHAIRMAN. \$8,840.

Mr. GETLAN. It is possible that I drew that much.

The CHAIRMAN. Well, you had gotten ahold of the charter at that time.

Mr. GETLAN. With the expenses, that is.

The CHAIRMAN. It included expenses?

Mr. GETLAN. Yes, sir.

The CHAIRMAN. It is possible that you drew that much?

Mr. GETLAN. That is right.

The CHAIRMAN. I may state that this is the charter that we have been calling the "bouncing charter," and did it bounce to you?

Mr. GETLAN. It did.

The CHAIRMAN. How did you get it?

Mr. GETLAN. I got it from the teamsters union, at one time, and it was presented to me, and I was operating independently prior to that. I needed an AFL charter.

The CHAIRMAN. Did you apply for one?

Mr. GETLAN. I did.

The CHAIRMAN. How did you apply?

Mr. GETLAN. Through some people that I knew.

The CHAIRMAN. Well, let us have their names.

You didn't file a formal application to the AFL?

Mr. GETLAN. No; I didn't.

The CHAIRMAN. To the United Automobile Workers?

Mr. GETLAN. No.

The CHAIRMAN. You didn't send in a formal application applying for a charter?

Mr. GETLAN. No, sir.

The CHAIRMAN. But you dealt through some other people?

Mr. GETLAN. That is right.

The CHAIRMAN. Let us talk about it.

Go ahead.

Mr. GETLAN. I was operating independently prior to that for a couple of years, and I was with the CIO prior to that, a couple of years before, and I notified people that I know I am working without a charter. Well, this one could have gotten me this charter, and finally somebody told me about the UAW charter. They said come down to the teamsters office in New York City, between 57th and 58th Street I received this charter.

The CHAIRMAN. From whom?

Mr. GETLAN. From local 805.

The CHAIRMAN. That is from local 805. Was that a teamsters union?

Mr. GETLAN. Yes.

The CHAIRMAN. The local couldn't operate without some individual operating for it. Who gave you the charter?

Mr. GETLAN. I do not know—who gave it to him, I don't know.

The CHAIRMAN. I did not say who gave it to him. Who did you get it from?

Mr. GETLAN. I got it from a Mr. Holt of local 805, secretary-treasurer.

The CHAIRMAN. Milton Holt?

Mr. GETLAN. Yes.

The CHAIRMAN. Secretary-treasurer of what?

Mr. GETLAN. Local 805 of the teamsters.

The CHAIRMAN. Did he have any other spare charters laying around?

Mr. GETLAN. No; he had this one lying around, and he said, "Here, take it." It was in a frame. It was all framed up.

The CHAIRMAN. Was it for sale?

Mr. GETLAN. No, sir.

The CHAIRMAN. How did you get it?

Mr. GETLAN. "Here, improve your membership." That is all. "Here is a charter to work with."

The CHAIRMAN. He just handed you a charter in a frame?

Mr. GETLAN. That is right.

The CHAIRMAN. And you went to work on it?

Senator MUNDT. Had you ever met Mr. Holt before that date?

Mr. GETLAN. Yes, sir.

Senator MUNDT. Tell us your background or connections with him. Had he been a member of your union?

Mr. GETLAN. No; he was secretary-treasurer of local No. 805.

Senator MUNDT. I understand. But what was your personal connection with him?

Mr. GETLAN. He handled the cigarette coin machines in New York City, and I handled the coin machines out of New York City.

Senator MUNDT. By handling them, do you mean you owned the machines or that you worked with the men who operated them and had a union in that?

Mr. GETLAN. That is right, the coin employees.

Senator MUNDT. Mr. Holt had a union that included the coin machine collectors and repairmen?

Mr. GETLAN. That is right.

Senator MUNDT. And that was in New York City. You had a union which handled the same type of personnel outside?

Mr. GETLAN. From Westchester County up.

Senator MUNDT. So in that way you had become acquainted?

Mr. GETLAN. That is right.

Senator MUNDT. And you went to him and said, "I would like to have a charter for my union outside of New York City"; is that right?

Mr. GETLAN. That is right.

Senator MUNDT. And he said, "I happen to have a spare one here"?

Mr. GETLAN. No; it was never mentioned to me what I have got or what I am going to get.

Senator MUNDT. You must have arrived at a meeting of minds some way where you walked out with a framed charter. How did you get that?

Mr. GETLAN. I got a framed charter, and that was it.

Senator MUNDT. Without any mention at all? You just tucked it under your coat on your way out of the door?

Mr. GETLAN. He said, "Take it with you." I hung it up on the wall and that was it.

Senator MUNDT. It sounds a little mysterious. I want to get this clear.

Senator CURTIS. When was that?

Mr. GETLAN. 1955.

Senator MUNDT. You walked into the office and said, "I am one charter short. I have the union, but I haven't got a charter. I would like to get a charter." Is that what you told him?

Mr. GETLAN. I was working without a charter. I was working independently.

Senator MUNDT. You said you did not want to be independent, you wanted an organization?

Mr. GETLAN. That is right. I wanted a father and mother.

Senator MUNDT. You said, "Mr. Holt, what shall I do about that?" and what did he do?

Mr. GETLAN. He helped me get a charter. About 5 or 6 months elapsed.

Senator MUNDT. You did not get it at the first meeting?

Mr. GETLAN. No. I got a telephone call to come down with "Here is your charter."

Senator MUNDT. How did he advance himself out of that?

Mr. GETLAN. Just improving the membership, that is all, with "Go out and go to work."

Senator MUNDT. You did not pay him anything for the charter?

Mr. GETLAN. Absolutely not.

Senator MUNDT. You did not promise him anything?

Mr. GETLAN. Nothing.

Senator MUNDT. You did not vote for any of his friends?

Mr. GETLAN. I had nothing to do with him. He was the teamsters union and I was a UAW charter.

Senator MUNDT. You got that in 1955?

Mr. GETLAN. Yes.

Senator MUNDT. That was the charter we have been hearing about this afternoon as having been canceled?

Mr. GETLAN. That is right. I didn't know it until the investigation came out.

Senator MUNDT. You did not know that what you had was——

Mr. GETLAN. That my charter is a canceled charter.

Senator MUNDT. Anyhow, you took it in good faith?

Mr. GETLAN. That is right.

Senator MUNDT. And you put your members into the union?

Mr. GETLAN. That is right.

Senator MUNDT. And you paid your dues?

Mr. GETLAN. That is right. I transferred them——

Senator MUNDT. Out of the dues, you got a salary and your expenses?

Mr. GETLAN. That is right.

Senator MUNDT. What did you do with the portion of the dues that belonged to the international union?

Mr. GETLAN. I didn't pay no per capita tax.

Senator MUNDT. You just collected the dues and kept them yourself?

Mr. GETLAN. Well, it was put in the union. It was union funds. Checks were mailed into the union, and salaries were drawn, service was given the members, and so forth.

Senator MUNDT. What did the international union get?

Mr. GETLAN. The international didn't get anything.

Senator MUNDT. They got nothing?

Mr. GETLAN. That is right.

There wasn't anything for them after expenses.

Senator MUNDT. You fellows took care of that. The money came in and out it went and that was all right.

Mr. GETLAN. There was enough salaries to be taken out, and expense.

Senator MUNDT. What did you do at convention time? Did you go to the convention?

Mr. GETLAN. I didn't.

Senator MUNDT. Did you take this old, dilapidated charter with the cancellation notice on it and vote? How long did you operate with the charter?

Mr. GETLAN. About 3 months.

Senator MUNDT. Three months?

Mr. GETLAN. That is right.

Senator MUNDT. Then what did you do with it?

Mr. GETLAN. Then I changed over to local 26 of the International Jewelry Workers.

Senator MUNDT. What did you do with the old charter?

Mr. GETLAN. I sent it back to Mr. Holt.

Senator MUNDT. You sent it back to Mr. Holt?

Mr. GETLAN. In the same frame.

Senator MUNDT. In the same frame. Why did you change? Why did you switch from that charter to the jewelry workers' charter?

Mr. GETLAN. It was just—

Senator MUNDT. It was a pretty good system. You did not have to pay per capita tax. The money came in and you used up this money. That was a very convenient arrangement. What induced you to change?

Mr. GETLAN. I didn't like anything I got for free.

Senator MUNDT. Did not like what?

Mr. GETLAN. Didn't like anything I got for free.

Senator MUNDT. Well, you took it for free to begin with. Did it take you 90 days to decide you did not want it for free?

Mr. GETLAN. It wasn't worth it.

Senator MUNDT. In what way was it not worth it?

Mr. GETLAN. The service I got wasn't worth it.

Senator MUNDT. The service from whom?

Mr. GETLAN. The service from the international.

Senator MUNDT. It was worth all you paid for it. You did not pay anything. If you felt badly about that, how do you suppose the international felt? We could dilate on that a little further. I cannot see how you would complain too seriously about the service. What specific service had you requested and had been unable to get? Get down to cases here, if you are going to complain. You were complaining about what?

Mr. GETLAN. Well, you are entitled to something. If you don't pay nothing, you are not entitled to it, that is right. You are not entitled to nothing.

Senator MUNDT. You got all you were entitled to?

Mr. GETLAN. Well, that is what they gave me.

Senator MUNDT. All right. You decided, then, after 90 days, that you were not getting your money's worth, though you paid nothing for it, so you took the charter back?

Mr. GETLAN. I delivered it to the same office. I had it delivered to the same office. I sent it down by messenger.

Senator MUNDT. What reason did you give Mr. Holt? Did you complain to him about the service you were not getting?

Mr. GETLAN. I guess I did.

Senator MUNDT. Did you send him a letter of complaint?

Mr. GETLAN. No.

Senator MUNDT. It was oral?

Mr. GETLAN. I called him up and I told him I had no use for the charter, and I was able to get another charter from the International Jewelry Workers.

Senator MUNDT. That is the last you ever heard of the charter of 228?

Mr. GETLAN. That is right.

Senator CURTIS. Mr. Chairman.

The CHAIRMAN. Senator Curtis.

Senator CURTIS. When you got this charter in 1955, how many members did you have in your union, approximately?

Mr. GETLAN. A little over 100 members.

Senator CURTIS. Where were they employed?

Mr. GETLAN. They were employed in Westchester or above.

Senator CURTIS. Were all of them employees or were some of them owners of coin-box machines?

Mr. GETLAN. Some were owners.

Senator CURTIS. You approached owners for membership in your union?

Mr. GETLAN. Yes, sir.

Senator CURTIS. Were some of those owners individuals who had no employees?

Mr. GETLAN. That is right. You see, we do not force a man to employ anyone where he don't operate enough machines to have an employee. He is taken in as an employee member of the union.

Senator CURTIS. You had 100 members. Where did that union hold its meetings?

Mr. GETLAN. It held its meetings at different places. In Newburgh, N. Y., or down in Mount Vernon, at a hotel.

Senator CURTIS. In a meeting hall?

Mr. GETLAN. At a hotel, at a meeting hall in a hotel.

Senator CURTIS. How many people would you get out?

Mr. GETLAN. You would get about 10 to 15 members who would come in.

Senator CURTIS. Did you have a meeting any time during the time you had this charter?

Mr. GETLAN. Yes, sir.

Senator CURTIS. Did you show the charter to the members?

Mr. GETLAN. Yes, sir.

Senator CURTIS. Whose names were on the charter?

Mr. GETLAN. I do not know.

Senator CURTIS. You knew that it was not your name?

Mr. GETLAN. No, sir; my name was not on it, and none of my employees.

Senator CURTIS. The names of none of your members were on it?

Mr. GETLAN. No, sir.

Senator CURTIS. In fact, anyone who looked at it would have known it was not a charter issued to you or to your union, would they not?

Mr. GETLAN. That is right.

Senator CURTIS. That is all, Mr. Chairman.

Senator IVES. Mr. Chairman?

The CHAIRMAN. Senator Ives.

Senator IVES. I would like to continue the questioning along the line of where these employees lived.

You said Westchester or above, Mr. Getlan, and then you mentioned Newburgh. It that the only place?

Mr. GETLAN. Newburgh, Middletown, through Orange County.

Senator IVES. Sullivan County?

Mr. GETLAN. Sir?

Senator IVES. Sullivan County, too?

Mr. GETLAN. Sullivan County.

Senator IVES. Do you mean you had 100 employees scattered in all that area?

Mr. GETLAN. That is right, in that area.

Senator IVES. That is quite a large area for 100 people to be living in. You could not have had many employees in any one spot.

Mr. GETLAN. You got 2 in Sullivan County or 3 in Sullivan County.

Senator IVES. Just three in Sullivan County?

Mr. GETLAN. That is right.

Senator IVES. What did they do in Sullivan County?

Mr. GETLAN. They repaired machines for different operators in Sullivan County.

Senator IVES. How many did you have in Orange County?

Mr. GETLAN. In Orange County I know we got 1 member that employs, a boss in Orange County that employs 10 workers.

Senator IVES. You had one member in Orange County?

Mr. GETLAN. You see, 1 worker can service 60 machines.

Senator IVES. Well, that one member is in Newburgh, I take it?

Mr. GETLAN. No, he is out of Chester, N. Y.

Senator IVES. What?

Mr. GETLAN. He is out of Chester, N. Y.

Senator IVES. How many members did you have in Newburgh?

Mr. GETLAN. In Newburgh about four members out of Newburgh.

Senator IVES. Did you have anybody in Dutchess?

Mr. GETLAN. Yes, sir. And out of Poughkeepsie.

Senator IVES. How many?

Mr. GETLAN. We got maybe 5 or 6.

Senator IVES. Then you were sprinkled around there, were you not?

Mr. GETLAN. We go all through your area.

Senator IVES. My area? Where do you think I live? I live up at Chenango.

Mr. GETLAN. You live in that area.

Senator IVES. A little bit north of that.

Did you have anybody up in there? How far west did you go? Did you go as far west as Buffalo?

Mr. GETLAN. No. We tried to organize not that far up, but around Schenectady and Troy and Amsterdam.

Senator IVES. I do not live up in there.

Mr. GETLAN. Up through Albany County.

Senator IVES. I do not live up there.

Is that as far as you went?

Mr. GETLAN. Yes.

Senator IVES. Thank you.

The CHAIRMAN. What amount of dues did you charge these men?

Mr. GETLAN. Dues was \$5 a month.

The CHAIRMAN. \$5 a month, and none of that went to any international or to any council?

Mr. GETLAN. That was while I was with the UAW it didn't go.

The CHAIRMAN. You charged \$5 a month?

Mr. GETLAN. That is right.

The CHAIRMAN. And with 100 members you were getting about \$500 a month income.

Mr. GETLAN. Well, there is other charges, also.

The CHAIRMAN. You added some to that?

Mr. GETLAN. They pay per machine.

The CHAIRMAN. How much after the \$5 dues was it per machine?

Mr. GETLAN. It is 50 cents per month per machine.

The CHAIRMAN. Fifty cents per month per machine.

So that is the way you got the income to pay the officers?

Mr. GETLAN. That is right.

The CHAIRMAN. And you were one of the officers?

Mr. GETLAN. That is right.

The CHAIRMAN. Was any other money expended other than for a little stationery?

Mr. GETLAN. Yes. There was a girl in the office and there were two men working, to go out on service calls.

The CHAIRMAN. To go out on service calls?

Mr. GETLAN. That is right. Organizational work.

The CHAIRMAN. All the good it did was to provide a job and salary for some 4 or 5?

Mr. GETLAN. That is about all that would take care of the union.

The CHAIRMAN. That is the only benefit that came from it, it just provided jobs for 2 or 3 of you?

Mr. GETLAN. About three men.

The CHAIRMAN. About three men?

Mr. GETLAN. There was three men on salary, and a girl in the office.

The CHAIRMAN. You accumulated no surplus for pension funds or anything?

Mr. GETLAN. No. We had no pension fund and no welfare fund.

The CHAIRMAN. Just enough to support the officers?

Mr. GETLAN. That is all it did.

Senator CURTIS. Mr. Chairman?

The CHAIRMAN. Senator Curtis.

Senator CURTIS. I am interested in these businessmen, these employers who belong to your union. You said some of them did not have any employees. What services could the union render to a proprietor who has no employees?

Mr. GETLAN. You see, he becomes the employee.

Senator CURTIS. And he must negotiate with himself; is that the point?

Mr. GETLAN. He becomes a member of the union as an employee.

Senator CURTIS. And you could help him get a pay raise, if he owned the establishment and belonged to the union? You could help him get a pay raise; is that right?

Mr. GETLAN. As far as that goes, you see, this service—

Senator CURTIS. Could you help him get a pay raise, if he owned the place?

Mr. GETLAN. He don't own the place.

Senator CURTIS. Well, if he is the proprietor, he owns the business.

Mr. GETLAN. He is an operator. You see, a coin-machine operator is different. He is not stationary in one place. He services quite a few places.

Senator CURTIS. And if he has no employees, he is a businessman.

Mr. GETLAN. That is right.

Senator CURTIS. And working for himself.

Mr. GETLAN. That is right.

Senator CURTIS. You could not get him a raise in pay, you could not get him more vacation, you could not improve his working conditions. What inducement was there for him to join the union?

Mr. GETLAN. In order to keep his locations.

Senator CURTIS. Sort of a licensing thing?

Mr. GETLAN. It is not a licensing thing.

Senator CURTIS. Not officially, but by paying money to your union, he could keep his locations?

Mr. GETLAN. That is right.

Senator CURTIS. What do you mean by that?

Mr. GETLAN. Nobody would jump his locations, a nonunion man wouldn't jump his locations because he happens to be a member of the same union.

Senator CURTIS. Why would not a nonunion man jump his location?

Mr. GETLAN. In the first place, he couldn't give them a better machine. They work on better types of machines. A newer jukebox, that will cost \$1,200 or \$1,400. To work for \$10 or \$12 a week, it would take him a couple of years' time to get the money out.

Senator CURTIS. In other words, it was sort of a dividing up of the territory.

Mr. GETLAN. He was what?

Senator CURTIS. By joining the union, the territory would be divided up so he would have a place to operate, is that right?

Mr. GETLAN. He don't pick his territory. If he lived in Poughkeepsie, he is going to operate as close to Poughkeepsie as possible. If he has 25 locations, we do not compel him to employ or to get a worker, you see. As long as he can repair his own machines and service his own machines, he is not compelled to get a worker.

Senator CURTIS. What would happen to him if he did not want to join the union?

Mr. GETLAN. Nothing would happen to him.

Senator CURTIS. What would happen to his locations?

Mr. GETLAN. Nothing. Follow me, he could get—

Senator CURTIS. What service, then, did a self-employed businessman get out of joining your union?

Mr. GETLAN. It would prevent other operators from going into his locations and offering better percentages to get in there.

Senator CURTIS. That is what I mean. So you divided up the territory, is that right?

Mr. GETLAN. Well—

Senator CURTIS. And you would give him a chance—

Mr. GETLAN. I would say a man from Westchester County don't go into Sullivan County. It is too far for him to travel.

Senator CURTIS. Then he did not get anything out of it?

Mr. GETLAN. The man stays in his own county.

Senator CURTIS. Because he joins the union no one else comes in?

Mr. GETLAN. That is right.

Senator MUNDT. If I may pursue this inquiry another way, who got anything out of this operation except you three fellows who were the officers?

Mr. GETLAN. The service he got that nobody would jump his locations or canvass his locations once he is in there.

Senator MUNDT. That would apply to the owner-operator?

Mr. GETLAN. That is right.

Senator MUNDT. You had members who were not owner-operators. You had mechanics, did you not?

Mr. GETLAN. That is right.

Senator MUNDT. What benefits did they get from joining the union, paying \$5 a month dues, \$60 a year out of the household budget? What benefits did they get?

Mr. GETLAN. They got a job, or in other words, they got it in salary and commission from the operator.

Senator MUNDT. They could have had the job without joining the union, could they not?

Mr. GETLAN. They could have had the job without joining the union?

Senator MUNDT. Yes.

Mr. GETLAN. The bosses do not compel the men to join the union, but it is for their benefit that they are in the union.

Senator MUNDT. I am trying to find out what benefits they got in belonging to the union. That was the purpose of my question.

Mr. GETLAN. Their wages were better, commissions were better, by being in the union.

Senator MUNDT. Are the employers interested in setting up a union arrangement so that the employees get more money and they have to pay bigger wages, bigger benefits?

Mr. GETLAN. They are interested in being in the union, being unionized.

Senator MUNDT. Well, if they are as bighearted as that, these employers, they could make the benefits available without the union. The employer that wants to be good to his employee does not necessarily say "You have to belong to the union and pay \$5 a month dues to union officers, and if you do that I will give you an extra week's vacation."

He could say, "Here, you can have your extra week's vacation and keep your \$5 a week also." That would really be being good.

Mr. GETLAN. Well, we have had the union in New York City for years. I wasn't the first one that started the union. It has been unionized—

Senator MUNDT. I understand if they belong to the legitimate union, with international affiliates, then they are part of a regular organization of that type. The benefits can probably be secured for the employee. But I cannot understand how 100 members of a union paying \$5 a month to belong to a union without a charter, without any international connection, without any benefits coming back—I do not see where they come in.

I think he is at the low end of the totem pole. What do you think?

Mr. GETLAN. I don't think you are right, though.

Senator MUNDT. Well, would you try to convince me why you think I am wrong?

Mr. GETLAN. The benefits we give the people, the members, nobody goes out looking to jump their locations. They stay in their own area. A certain workers, those canvassing locations, he don't canvass a man that has a union label on his machine. He knows they are unionized. That is what counts.

Senator MUNDT. Did the workers who paid this \$5 a month monthly dues know that they belonged to a bobtail union that did not have any connections any higher up than your office?

Mr. GETLAN. Why is it a bobtail office?

Senator MUNDT. Because it has no international connection. It is short-circuited at your office.

Mr. GETLAN. No. We belong to the International Jewelry Workers. Senator MUNDT. I am talking about the time you belonged to the union and bought the secondhand charter.

Mr. GETLAN. We operated independently. We give them the same service as if we operated out of an international service, whatever they could get from there. We would give them the same service.

(At this point, Senator Goldwater entered the hearing room.)

Mr. GETLAN. We give them the same service they would get anywhere else.

Senator MUNDT. You said that Mr. Holt was head of that union?

Mr. GETLAN. I. B. of T., the teamsters.

Senator MUNDT. I wonder if counsel can tell us something about Mr. Holt.

Mr. KENNEDY. About Mr. Milton Holt?

President of local 805 is Mr. A. Gordon. Mr. Abe Gordon and Johnny Dioguardi are very close. Local 805 headquarters were used by Dio as a headquarters for himself. A. Gordon is not only president of this local, but he also runs a trucking firm. That is about A. Gordon.

Local 651 of the teamsters, Senator Mundt, is A. Gordon's brother, Nat Gordon, and they received a charter from the teamsters just prior to this election in February of 1956. Their charter was granted at the same time as these other paper local charters, on November 8, 1955. We will develop as the hearings go on the relationship between Gordon, Holt, and Dio.

The CHAIRMAN. I would like to ask this witness one other question. You said, I believe, that you got 50 cents a week?

Mr. GETLAN. No; a month per each machine.

The CHAIRMAN. Per each machine per month.

Mr. GETLAN. That is right.

The CHAIRMAN. How many machines were involved in this 100 members you had.

Mr. GETLAN. Approximately 4,000.

The CHAIRMAN. So you got \$2,000 a month out of the machines, in round numbers, and \$500 out of the members?

Mr. GETLAN. That is right.

The CHAIRMAN. So that gave you an income of around \$30,000 a year, gross income?

Mr. GETLAN. Well, you got the pencil.

The CHAIRMAN. You got \$2,000 out of the machines per month, at \$24,000 per year, and \$6,000 per year for members, in round numbers; so it would be \$30,000 a year?

Mr. GETLAN. That is right.

The CHAIRMAN. All of that went for the benefit of those of you who organized it.

Mr. GETLAN. That is pickets and so forth that you have to have.

The CHAIRMAN. Did you have to have pickets?

Mr. GETLAN. Certainly.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Getlan, I would like to get your history in the record. You have been in jukeboxes or interested in jukeboxes?

Mr. GETLAN. In the coin-machine business since 1923.

Mr. KENNEDY. And did you have coin machines back in 1923?

Mr. GETLAN. Yes.

Mr. KENNEDY. You had them yourself?

Mr. GETLAN. Yes.

Mr. KENNEDY. Did you distribute them?

Mr. GETLAN. Yes.

Mr. KENNEDY. Where were you distributing them?

Mr. GETLAN. Sullivan County, N. Y.

Mr. KENNEDY. Were you also distributing down in Florida?

Mr. GETLAN. Yes, sir.

Mr. KENNEDY. Did you distribute them in Florida in 1930?

Mr. GETLAN. 1935 and 1937.

Mr. KENNEDY. They were outlawed; were they?

Mr. GETLAN. Yes, sir; voted out. It was——

Mr. KENNEDY. When you were distributing these coin machines, what would be the weekly income that you would receive, approximately?

(At this point, Senator McClellan and Senator Ives withdrew from the hearing room.)

Mr. GETLAN. Well, I haven't got no records.

Mr. KENNEDY. I know you haven't got any records, but I am saying "approximately." Approximately, what would be your weekly income on the distribution?

Mr. GETLAN. At what time?

Mr. KENNEDY. When you were down in Miami, for instance, in Florida?

Mr. GETLAN. It would average about \$30 per machine, or \$35 per week.

Mr. KENNEDY. Altogether, weekly, how much would you make?

Mr. GETLAN. I operated 250 machines.

Mr. KENNEDY. How much approximately would you make each week?

Mr. GETLAN. About \$7,000 a week.

Mr. KENNEDY. About \$7,000 a week. Would that be slot machines?

Mr. GETLAN. That is right; slot machines.

Mr. KENNEDY. And that was your operation in Miami?

Mr. GETLAN. Yes.

Mr. KENNEDY. And you would clear about \$6,500 or \$7,000 a week?

Mr. GETLAN. That is right.

Mr. KENNEDY. Did you ultimately move up to New York City?

Mr. GETLAN. I moved my clothes up to New York City after a run.

Mr. KENNEDY. After what?

Mr. GETLAN. After the run was over. We were voted out with the slot machines.

Mr. KENNEDY. And you didn't have anything left by that time?

Mr. GETLAN. That is right.

Mr. KENNEDY. You didn't save much of the \$7,000 a week?

Mr. GETLAN. No; I didn't have no time.

Mr. KENNEDY. You didn't have any time?

Mr. GETLAN. I didn't have time to save any money.

Mr. KENNEDY. What were you busy doing?

Well, I will go on.

You went up to New York City?

Mr. GETLAN. Yes, sir.

Mr. KENNEDY. And did you meet some people up there that offered you a job, to put you to work?

Mr. GETLAN. That is right.

Mr. KENNEDY. Who did you work for in New York City?

Mr. GETLAN. When I came back to New York? I got a proposition with the union.

Mr. KENNEDY. When was this?

Mr. GETLAN. In 1950.

Mr. KENNEDY. I am still back in the 1930's.

Mr. GETLAN. I didn't come up to New York, then.

Mr. KENNEDY. Did you work in New York at all in the 1930's?

Mr. GETLAN. No, sir.

Mr. KENNEDY. Did you work in the 1940's in New York?

Mr. GETLAN. In 19——

Mr. KENNEDY. In the 1930's. Let us go back. Did you work in New York at all then?

Mr. GETLAN. I worked in New York in 1930, yes, up to 1935.

Mr. KENNEDY. That is prior to going to Miami?

Mr. GETLAN. That is right.

Mr. KENNEDY. Who did you work for then?

Mr. GETLAN. I worked as a distributor for Mills Novelty Co.

Mr. KENNEDY. Did you work for Frank Costello at that time?

Mr. GETLAN. No; not at that time.

Prior to that I did. In 1929.

Mr. KENNEDY. When did you work for Frank Costello?

Mr. GETLAN. In 1929, or 1928.

Mr. KENNEDY. 1928 and 1929?

Mr. GETLAN. Yes.

Mr. KENNEDY. What kind of a job did you have then?

Mr. GETLAN. As an agent.

Mr. KENNEDY. What would an agent do?

Mr. GETLAN. Servicing the slot machines.

Mr. KENNEDY. What area were you in?

Mr. GETLAN. In Harlem.

Mr. KENNEDY. And then after doing that, you went back to Miami, you went down to Miami, or you stayed in New York?

Mr. GETLAN. That is when I went back to Miami, the first time, in 1935.

(At this point, Senator McClellan entered the hearing room.)

Mr. KENNEDY. Did you work for Costello in just 1928 and 1929?

Mr. GETLAN. Yes.

Mr. KENNEDY. And then for the Mills Distributing Co.?

Mr. GETLAN. I worked for them in 1934 and 1935.

Mr. KENNEDY. Who ran that company? Who did you work for?

Mr. GETLAN. It was a concern by the name of United Automatic Coin Machine Co. I was a distributor for Mills Novelty Co., and sold their merchandise.

Mr. KENNEDY. These coin machines?

Mr. GETLAN. Slot machines.

Mr. KENNEDY. So you have been interested in slot machines all your life?

Mr. GETLAN. I have been interested in the coin-machine business since 1923.

Mr. KENNEDY. When did you become interested in the union business?

Mr. GETLAN. 1950.

Mr. KENNEDY. And you started in Westchester at that time?

Mr. GETLAN. That is right.

Mr. KENNEDY. Were any of them organized in Westchester?

Mr. GETLAN. No, sir.

Mr. KENNEDY. Was there an association?

Mr. GETLAN. No, sir.

Mr. KENNEDY. There wasn't an association. When you got out to Westchester, did you write to the various people that had——

Mr. GETLAN. I knew who the operators were in Westchester County.

Mr. KENNEDY. So you wrote to them?

Mr. GETLAN. Yes, sir.

Mr. KENNEDY. And suggested they become members of the union?

Mr. GETLAN. That is right.

Mr. KENNEDY. Did they gradually all become members of the union?

Mr. GETLAN. Yes, sir.

Mr. KENNEDY. How many members of the union do you have now?

Mr. GETLAN. Around 100 members.

Mr. KENNEDY. Of that 100, how many are employers, who own their own machines or distribute their own machines?

Mr. GETLAN. About 30 percent.

Mr. KENNEDY. When you talk about the outsiders coming in, or keeping locations from being jumped, would that mean if an outsider came in from Chicago, for instance, and wanted to establish a new location, you could prevent that?

Mr. GETLAN. That is right.

Mr. KENNEDY. So you are sort of working with the association that exists out in Westchester now, to keep new people from coming in?

Mr. GETLAN. That is right.

Mr. KENNEDY. You would prevent it by placing pickets? That is how you would use your pickets?

Mr. GETLAN. That is right.

Mr. KENNEDY. If somebody came in and opened a new bar, and they didn't want to get their slot machines or their coin machines from a member of the association, they wanted an independent, then you could place a picket around that bar and prevent beer from being delivered; is that right?

Mr. GETLAN. Yes.

Mr. KENNEDY. Is that right?

Mr. GETLAN. That is right.

Mr. KENNEDY. So it is really a close association that the union has with the association itself, the coin machine association itself; is that right?

I mean, it is a close, working relationship.

Mr. GETLAN. We have members that do not belong to an association.

Mr. KENNEDY. But the basic reason for existence is because of this close relationship that exists between your union and the association?

Mr. GETLAN. That is right. Most of my members belong to an association.

Mr. KENNEDY. Your brother has some machines out there, Izzy?

Mr. GETLAN. Yes.

Mr. KENNEDY. Izzy Getlan. He has a club out there, has he?

Mr. GETLAN. In Westchester County.

Mr. KENNEDY. Does he belong to the union?

Mr. GETLAN. No, sir.

Mr. KENNEDY. You have never picketed him?

Mr. GETLAN. That is right.

Mr. KENNEDY. I think that is all.

The CHAIRMAN. Why don't you? Why don't you make him join?

Mr. GETLAN. I don't talk to him.

The CHAIRMAN. Is the reason that you are afraid he might convince you instead of you convincing him?

Mr. GETLAN. I am afraid they will come to you people.

The CHAIRMAN. Is there anything further?

If not, call the next witness.

Thank you very much. You may stand aside for the present. Remain here. We might have to call you back for something.

Mr. KENNEDY. Mr. Chairman, at this point, we have the situation as far as 228 is concerned, that the international said it was never in existence, that the charter was lifted actually in 1955, and we find that in 1954 they filed financial statements, 228 filed financial statements, with the Labor Department, and then later on in 1955, under Sam Getlan, it was active again.

And Mr. Getlan has testified that he received the charter from Milton Holt of the teamsters. So we had the charter going from Sidney Hodes, and from there we don't know exactly but it ended up at least with Milton Holt. Then it bounced over to Sam Getlan, and Sam Getlan bounced it back to Milton Holt.

We have tried to trace it from there. We have an affidavit that may be of some assistance.

The CHAIRMAN. The Chair reads into the record an affidavit.

UNITED STATES COURT HOUSE,
Foley Square, New York, N. Y., June 26, 1957.

STATE OF NEW YORK,
County of New York, ss:

Amelia McCarthy, being duly sworn deposes and says:

I, Amelia McCarthy, furnish the following statement to Walter R. May, who has identified himself to me as a staff member of the United States Senate Select Committee on Improper Activities in the Labor or Management Field. I give this statement freely and voluntarily and with the knowledge that the statement may be used at committee hearings held in public session.

I reside on Main Street, Hurleyville, N. Y., and my husband, William, and I own and operate the Catskill Amusement Co. in Hurleyville, a company engaged in operating and servicing coin-operated amusement machines.

Beginning about 1952 and for a number of years thereafter our company as well as other similar companies in our area had a labor-management agreement with Sam Getlan, a labor-union official who maintained an office at 10 Park Avenue, Mount Vernon, N. Y. During this period Getlan operated under various charters and was affiliated with different international unions. About July 1955, Mr. Getlan notified me and other company owners that he had obtained a new charter, Local 228, UAW-AFL and that, henceforth, we would be members of that union.

In January 1956 we were notified by Sam Getlan that our dues were being raised which caused me and other owners some concern. At the regular monthly meeting of the New York State Operators Guild some of the owners indicated a desire to join some other union if possible. Shortly thereafter Philip Kazansky, who is an official of a teamster union and who maintains an office at 229 Broadway, Monticello, N. Y., was contacted by me and my husband and asked if he would be able to take the owner-employees and other employees into his union. He said he was not positive; that he was going to visit New York City and would let me know. A few days later, Mr. Kazansky told me he had learned that the local 228 charter had been taken from Sam Getlan.

A regular meeting of the New York State Operators Guild was held a short time later at the Governor Clinton Hotel, Kingston, N. Y., at which meeting Mr. Kazansky was present and announced that Getlan had lost the local 228 charter. One of the guild members telephoned Sam Getlan who stated that the local 228 charter was still in his possession hanging on the wall of his office. At the meeting Mr. Kazansky was asked to prove that the 228 charter had been taken from Getlan and Kazansky stated he would produce the charter at my home the following Saturday.

On that Saturday evening, sometime in February 1956, Mr. Kazansky appeared at my home and showed the local 228 charter to me and my husband. The charter was contained in a frame; was titled "UAW Local 228, A. F. of L.;" and contained two lists of names.

A week or two later a special meeting was held at the Nelson House, Poughkeepsie, N. Y., which was attended by owners, owner-employees, and employees. Mr. Kazansky was also present and it was indicated to him that his story concerning his possession of the local 228 charter was doubted. Mr. Kazansky then said he would produce the charter at his office in Monticello the following Sunday. On that Sunday in March 1956 my husband and I invited the owners and Mr. Kazansky to our home. On that day at our home in Hurleyville, Mr. Kazansky showed the charter to me and other owners including Jack Wilson, of Newburgh, N. Y.; Mrs. Ann Koenig, of Kingston; and Mrs. Gertrude Brown, of Beacon, N. Y. At that time Mr. Kazansky stated he did not want to sign us up with either Teamster Local 269 or with local 228 because he did not want to become involved with our group. Kazansky also said he was not sure how Getlan might have abused the local 228 charter and therefore he did not want to use it.

Later at a regular meeting of the New York State Operators Guild it was decided by most of the owner-employees and employees to continue as members of Sam Getlan's union, local 26, IJWU. To my knowledge Mr. Kazansky did not use the local 228 charter since Mr. Kazansky's visit to my home in March 1956.

I have read this 2-page statement. It is true and correct.

AMELIA MCCARTHY
WALTER R. MAY.

Witness:

Sworn to before me this 26th day of June 1957.

[SEAL]

RAYMOND A. MURPHY,

Notary Public, State of New York, No. 03-8075000. Qualified in Bronx County. Certificates filed in New York and Kings County.

Commission expires March 30, 1958.

(At this point, Senator Goldwater withdrew from the hearing room.)

The CHAIRMAN. Are there any further questions of Mr. Getlan?

Mr. KENNEDY. Not for the moment.

The CHAIRMAN. Call the next witness.

Mr. KENNEDY. Mr. Philip Kazansky.

(Members of the select committee present at this point in the proceedings: Senators McClellan, Mundt, and Curtis.)

The CHAIRMAN. You may be sworn. Do you solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. KAZANSKY. I do.

TESTIMONY OF PHILIP KAZANSKY

The CHAIRMAN. Mr. Kazansky, will you state your name, your place of residence, and your business or occupation?

Mr. KAZANSKY. Philip Kazansky. I reside at 36 Liberty Street, Monticello, N. Y.

The CHAIRMAN. What is your business or occupation, please?

Mr. KAZANSKY. Sir, I respectfully refuse to answer on the grounds it may tend to incriminate me.

The CHAIRMAN. Is it that bad?

Mr. KAZANSKY. It may be, sir.

The CHAIRMAN. You do not intend, then, to answer questions? Is that correct?

Mr. KAZANSKY. I believe that is correct, sir.

The CHAIRMAN. I can proceed a little further. I want to give you an opportunity to testify because your name has been presented here under oath with respect to some of your activities in connection with the charter of local 228.

Mr. Counsel, you may proceed to interrogate the witness.

Mr. KENNEDY. Mr. Chairman, according to the testimony so far, the charter came from Milton Holt to Sam Getlan, and then Sam Getlan returned it to Milton Holt, and Mr. Philip Kazansky, according to the affidavit of Amelia McCarthy, appeared with the charter, and attempted to organize these individuals.

I would like to ask you if you ever had in your possession the charter of local 228, Mr. Kazansky.

Mr. KAZANSKY. Sir, I respectfully refuse to answer the question on the grounds it may tend to incriminate me.

Mr. KENNEDY. Did you receive the charter from Mr. Milton Holt?

Mr. KAZANSKY. Sir, I repeat again, I respectfully decline to answer the question on the grounds it may tend to incriminate me.

The CHAIRMAN. Do you have counsel to represent you?

Mr. KAZANSKY. No, sir.

The CHAIRMAN. You knew you had a right to have counsel; did you?

Mr. KAZANSKY. Yes, sir.

The CHAIRMAN. You have waived counsel?

Mr. KAZANSKY. Yes, sir.

The CHAIRMAN. Proceed.

Mr. KENNEDY. We understand, as I pointed out before, that there is a close relationship between Mr. John Dioguardi and Mr. Milton Holt.

I would like to ask you whether Mr. Johnny Dio had anything to do with your getting the charter from Milton Holt?

Mr. KAZANSKY. Sir, I respectfully refuse to answer the question on the grounds it may tend to incriminate me.

Mr. KENNEDY. Do you know Mr. John Dioguardi?

Mr. KAZANSKY. Sir, I respectfully refuse to answer the question on the grounds it may tend to incriminate me.

Mr. KENNEDY. Do you know Mr. Milton Holt?

Mr. KAZANSKY. Sir, I respectfully refuse to answer the question on the grounds it may tend to incriminate me.

Mr. KENNEDY. Do you know Mr. A. Gordon?

Mr. KAZANSKY. Sir, I respectfully refuse to answer the question on the grounds it may tend to incriminate me?

Mr. KENNEDY. Mr. A. Gordon, Mr. Chairman, is president of 805.

Do you know Nat Gordon, A. Gordon's brother?

Mr. KAZANSKY. Sir, I respectfully refuse to answer the question on the grounds it may tend to incriminate me.

Mr. KENNEDY. Were you present when these charters were given out for the so-called paper locals of the Teamsters?

Mr. KAZANSKY. Sir, I respectfully refuse to answer the question on the grounds it may tend to incriminate me.

Mr. KENNEDY. Do you still have the charter for local 228 in your possession?

Mr. KAZANSKY. Sir, I respectfully refuse to answer the question on the grounds it may tend to incriminate me.

Mr. KENNEDY. Would you tell the committee what you did with the charter?

Mr. KAZANSKY. Sir, I respectfully refuse to answer the question on the grounds it may tend to incriminate me.

The CHAIRMAN. Are you now a member of a labor union?

Mr. KAZANSKY. Sir, I respectfully refuse to answer the question on the grounds it may tend to incriminate me.

The CHAIRMAN. Do you think it might tend to incriminate you if you were a member of a labor union?

Mr. KAZANSKY. It might.

The CHAIRMAN. Do you state under your oath that you honestly believe that if you answered that question truthfully, that a truthful answer might tend to incriminate you?

Mr. KAZANSKY. It may.

The CHAIRMAN. You are stating that under oath?

Mr. KAZANSKY. Yes, sir.

The CHAIRMAN. I wonder what kind of a labor union it is.

You see, you cast aspersions upon that union if you are a member of it by taking that position.

Mr. KAZANSKY. Yes, sir.

The CHAIRMAN. You realize that, do you?

Mr. KAZANSKY. It may, sir.

The CHAIRMAN. Then are we to assume that that is a union that a decent citizen would not be proud to belong to?

Mr. KAZANSKY. Sir, I respectfully refuse to answer the question on the grounds it may tend to incriminate me.

The CHAIRMAN. Is that one too close to the truth?

Mr. KAZANSKY. Sir, again I respectfully refuse to answer the question on the grounds it may tend to incriminate me.

The CHAIRMAN. Yes, sir, I realize that.

Senator MUNDT. Do you know Mr. Sam Getlan, who testified just ahead of you on the stand?

Mr. KAZANSKY. Sir, I refuse to answer the question on the grounds it may tend to incriminate me.

The CHAIRMAN. The Chair presents to you a photostatic copy of a letter dated February 2, 1956, signed by Joseph Curcio, secretary-treasurer of local 269, Warehouse and Processing Employees Union.

Will you please examine this document and state if you identify it?

(A document was handed to the witness.)

Mr. KAZANSKY. Sir, I respectfully refuse to answer the question on the grounds it may tend to incriminate me.

The CHAIRMAN. Let this document be made exhibit No. 20, the one that was presented to the witness.

(The document referred to was marked "Exhibit No. 20," and is as follows.)

The CHAIRMAN. I shall read this document. As I pointed out, it is on Warehouse and Processing Employees Union Local 269 sta-

tionery, dated February 2, 1956, addressed to Joint Council No. 16, International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers of America, 265 West 14th Street, Room 709, New York 11, N. Y.

DEAR SIR AND BROTHER: This will acknowledge receipt of your letter of January 19, 1956. We give you below a list of officers of our local union who are eligible to vote in the joint council election. They are:

Armando Simontacci, president; Basil Koschel, vice president; Joseph Curcios, secretary-treasurer; Philip Kazansky, recording secretary; Frank Easton, trustee; John Korsizor, trustee; Rozario Catalano, trustee.

Fraternally yours,

JOSEPH CURCIO,
Secretary-Treasurer.

Do you know anything about that letter?

Mr. KAZANSKY. Sir, I respectfully refuse to answer that question on the grounds it may tend to incriminate me.

The CHAIRMAN. Did you attend the joint council meeting at which the election was held?

Mr. KAZANSKY. Sir, I respectfully refuse to answer the question on the ground it may tend to incriminate me.

The CHAIRMAN. Did you know local 269 was one of these paper locals that was phony and that the whole purpose of this arrangement, this scheme, was to vote illegal votes in that election for the purpose of electing John O'Rourke?

Mr. KAZANSKY. Sir; I respectfully refuse to answer the question on the grounds it may tend to incriminate me.

The CHAIRMAN. Do you not think if you have been perpetrating a fraud on honest working people you ought to have the decency to answer such questions?

Mr. KAZANSKY. Sir; I refuse to answer such questions on the grounds it may tend to incriminate me.

The CHAIRMAN. I will hand you another one.

(The document referred to was marked "Exhibit No. 21" and follows:)

The CHAIRMAN. On the same stationery, of local 269, dated February 2, 1956, addressed to the same joint council, and it reads as follows:

DEAR SIR AND BROTHER: This will certify that the bearer, Philip Kazansky, is an executive board member of our local union, 269, and is eligible to vote in the joint council election.

Fraternally yours,

JOSEPH CURCIO,
Secretary-Treasurer.

I present this photostatic copy of the letter to you, and ask you to examine it and state if you identify it.

(A document was handed to the witness.)

Mr. KAZANSKY. Sir, I respectfully refuse to answer the question on the grounds it may tend to incriminate me.

The CHAIRMAN. I will ask you if you attended that election.

Mr. KAZANSKY. Sir, I respectfully refuse to answer the question on the grounds it may tend to incriminate me.

The CHAIRMAN. Do you think it would tend to incriminate you if you attended the election under that certificate and voted for Mr. O'Rourke?

Mr. KAZANSKY. Sir, I refuse to answer the question on the ground it may tend to incriminate me.

The CHAIRMAN. Was there anything about that election, about this transaction, that you feel is improper, and, therefore, might reflect upon your character and integrity?

Mr. KAZANSKY. Sir, I refuse to answer the question on the grounds it may tend to incriminate me.

The CHAIRMAN. You would be the best judge of it. I am about to accept your statement as a fact.

Are there any questions?

Mr. KENNEDY. Mr. Chairman, our information now is that Mr. Kazansky works for local 269 and received \$35 in expenses every week from local 269 of the teamsters.

The CHAIRMAN. Is that true?

Mr. KAZANSKY. Sir, I respectfully refuse to answer the question the question on the ground that it may tend to incriminate me.

The CHAIRMAN. Well, let us see. What is that union affiliated with?

Mr. KENNEDY. 269 is one of the paper locals, Mr. Chairman, local 269 of the teamsters, where they voted in this election we discussed. The votes were impounded. Forty-two votes were cast. Philip Kazansky was one of them, and that vote was cast for Mr. John O'Rourke.

The CHAIRMAN. Are there any other questions?

Senator CURTIS. How many members are there in local 269?

Mr. KAZANSKY. Sir, I respectfully refuse to answer the question on the ground it may tend to incriminate me.

Senator CURTIS. Do you know any of the members?

Mr. KAZANSKY. Sir, I respectfully refuse to answer the question on the grounds it may tend to incriminate me.

Mr. KENNEDY. Mr. Chairman, Mr. Kazansky was called for two reasons: Because of his knowledge of the bouncing charter 228, and because of this information that he should have regarding the elections for the joint council 16 of New York City. Those are all the questions I have.

The CHAIRMAN. You are not willing to testify before this committee?

Mr. KAZANSKY. Sir, I respectfully refuse to answer the question on the grounds it may tend to incriminate me.

The CHAIRMAN. I think that is one you can answer, if you are unwilling to testify. You are apparently demonstrating that. I wondered if there was anything that you would testify to if we asked you about it.

Can you think of any question we could ask you that you would give a truthful answer to?

Mr. KAZANSKY. Sir, I respectfully decline to answer the question on the grounds it may tend to incriminate me.

The CHAIRMAN. You feel like you are in pretty bad shape, do you not?

Mr. KAZANSKY. Sir, I respectfully refuse to answer the question on the grounds it may tend to incriminate me.

The CHAIRMAN. I sympathize with you. You are excused.

Mr. KAZANSKY. Thank you, sir.

Mr. KENNEDY. Mr. Chairman, we had the information from the first witness that the international said that this charter was never active. It nevertheless ended up in the hands of Mr. Holt, from Mr. Hodes to Mr. Holt of the teamsters union, and then bounced to Mr. Getlan, came back to Mr. Milton Holt, came back to Mr. Kazansky.

We feel that the testimony of Mr. Milton Holt could throw a lot of light on this situation. He is the next witness.

The CHAIRMAN. Mr. Holt, come forward, please.

(Present at this point were Senators McClellan, Mundt, and Curtis.)

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. HOLT. I do.

**TESTIMONY OF MILTON HOLT, ACCOMPANIED BY HIS COUNSEL,
JOSEPH E. BRILL, ESQ.**

The CHAIRMAN. State your name, please, your place of residence and your business or occupation.

Mr. HOLT. Milton Holt, 7219 136th Street, Flushing, N. Y.

The CHAIRMAN. State your business or occupation, please, Mr. Holt.

Mr. HOLT. I must respectfully decline to answer under the fifth amendment, which guarantees me due process of law, and the privilege against self-incrimination, because to answer may incriminate me and would deny me due process of law.

Furthermore, my answer would not serve the legislative purposes of this committee and, in addition, the question is not pertinent.

Senator MUNDT. Mr. Holt, would you explain to me what the legislative purposes are?

The CHAIRMAN. Just a moment.

The Chair overrules the witness' objection on the grounds that his testimony would serve no legislative purpose. We cannot determine about that until he answers his questions. He is overruled on the second ground that the testimony he would give is not pertinent.

Therefore, on those bases, you are ordered and directed to answer the question.

Mr. HOLT. Senator, to answer would incriminate me, and would deny the due process of law.

The CHAIRMAN. We will ask you another, and see if this will incriminate you.

Have you hired a lawyer to represent you today?

Mr. HOLT. Yes, sir.

The CHAIRMAN. That does not incriminate you.

Mr. Counsel, will you state your name, please, for the record?

Mr. BRILL. I will, Senator. It is Joseph E. Brill.

The CHAIRMAN. Your address, please?

Mr. BRILL. I have it already written for the record. It is 165 Broadway, New York City.

The CHAIRMAN. Senator Mundt, did you wish to ask the witness a question?

Senator MUNDT. Yes, Mr. Chairman.

I was intrigued by one part of the witness' reply. He said, in his opinion, it would not serve the legislative purposes for which this committee was created. I would like to have the witness tell us what, in his mind, are the legislative purposes for which this committee is created.

Mr. HOLT. I did not get the question, Senator.

Senator MUNDT. I want to know what, in your mind, are the legislative purposes for which this committee is created.

You told us that you did not think that particular question would serve them. So I can test the validity of your reply, I want to know what you feel are our legislative purposes.

Mr. HOLT. Senator, if I was to go beyond what I have already said, it might result in a waiver of my rights, upon which I desire to stand.

Senator MUNDT. This would support your rights, if you have a position which is defensible.

If you feel that we are going beyond the legislative purview which has been given us by the Senate, you should make it a point to substantiate it.

You said that you did not think the questions that the chairman asked you were pertinent to our legislative purpose. I ask you what do you think is the legislative purpose of the committee?

Mr. HOLT. Again, I state the previous grounds which I have already stated.

Senator MUNDT. Which grounds are those?

Mr. HOLT. That it might result in a waiver of my rights.

Senator MUNDT. You have not established any rights until you have set out for us what you think are the legislative purposes so that we can measure them against the pertinency of the question.

Mr. HOLT. What is the question?

Senator MUNDT. The question is, What do you think is the legislative purpose of this committee?

(The witness conferred with his counsel.)

Mr. HOLT. Senator, I am sorry, but if I were to answer or discuss any more pertaining to that question, it could result in a waiver of my rights upon which I desire to stand.

Senator MUNDT. On the contrary, I think when the witness elects to take unto himself the function of giving us gratuitous advice, what questions are pertinent and what questions are not pertinent, I think he has the responsibility of following through to tell us what he thinks are the purposes of the committee.

Mr. HOLT. I wouldn't know that.

Senator MUNDT. Then how would you know the question was not pertinent?

Mr. HOLT. I wouldn't know that either.

Senator MUNDT. I thought you must be well versed in all this, because you were giving us a lecture on pertinency.

Mr. HOLT. I have already stated my position, Senator, that I cannot answer anything beyond what I have already answered.

Senator MUNDT. I am not asking you to go beyond what you have already said. You have already said too much, I think, because you have tried to tell us what the functions of the committee are not, and if you know what we should not ask, you certainly must know what you think are the guidelines which should govern the questioning of the committee.

Mr. HOLT. I cannot answer anything further pertaining to the question. It could result in a waiver of my constitutional rights.

Senator MUNDT. You have no constitutional right insofar as the part of the question I am talking about is concerned. You have some under the fifth amendment, but you have none from the standpoint of a counselor telling this committee what its functions are.

If you appear in that unique capacity and you say that you thought the question was not pertinent, I want to know why.

Mr. HOLT. I stand on the previous answer I gave.

Senator CURTIS. Mr. Chairman?

The CHAIRMAN. Senator Curtis.

Senator CURTIS. How old are you, Mr. Holt?

Mr. HOLT. I respectfully decline to answer on the grounds that I have stated before.

Senator CURTIS. Where were you born?

(The witness conferred with his counsel.)

Senator CURTIS. Do you wish to reconsider your answer as to how old you are?

Mr. HOLT. I cannot discuss anything further than what I have already said for fear it might result in a waiver of my rights upon which I desire to stand.

Senator CURTIS. Where were you born?

Mr. HOLT. I stand upon the answer I just gave.

Senator CURTIS. Where did you go to school?

Mr. HOLT. I respectfully stand on the previous answer, Senator.

Senator CURTIS. At what age did you begin to work?

Mr. HOLT. I respectfully stand on the same answer I gave previously.

Senator CURTIS. When did you first have any connection with any labor organization?

Mr. HOLT. Senator, I respectfully submit that any discussion any further might result in a waiver of my rights which I desire to stand upon.

Senator CURTIS. That is all, Mr. Chairman.

The CHAIRMAN. I would like to ask 1 or 2 questions.

Are you presently a member of a labor union?

Mr. HOLT. I didn't get that, sir.

The CHAIRMAN. Are you presently a member of a labor union?

Mr. HOLT. I must respectfully decline to answer on the grounds I have previously stated.

The CHAIRMAN. Is it not a fact that you are secretary-treasurer now of local 805 of the teamsters union?

Mr. HOLT. I respectfully submit that I cannot go into any further discussions than what I have previously stated.

The CHAIRMAN. Do you think the members of the teamsters union who work and pay dues appreciate the attitude of denying or refusing to state whether you are representing them in an official capacity or whether you are associated with them as a member?

Mr. HOLT. Senator, I cannot answer the question because it might result in a waiver of my constitutional rights on which I desire to stand.

The CHAIRMAN. You keep emphasizing your constitutional rights. Do you think the membership of your union and the American people, and this Government have any rights at all as to the conduct of unions and to inquire about their conduct?

Mr. HOLT. I stand on the same answer I previously stated.

The CHAIRMAN. Are you under indictment now for perjury?

Mr. HOLT. I respectfully decline to answer.

The CHAIRMAN. The court record will show that. It may reflect on you, I do not know. But you know we can always find that out. Do you not know that is a fact?

Mr. HOLT. To answer may incriminate me and deny me due process of law.

The CHAIRMAN. Do you not know that is a fact and that you are still an officer in the union, secretary-treasurer of local 805 of the teamsters union?

Mr. HOLT. Senator, I respectfully submit again that to go beyond what I have already stated might result in a waiver of my rights upon which I desire to stand.

The CHAIRMAN. Senator Mundt?

Senator MUNDT. Has your case been brought to the attention of Walter Reuther and Mr. Meany and the members of the ethical practices board of the CIO-AFL?

Mr. HOLT. I reiterate the statement I just made previously.

Senator MUNDT. It seems to me that it is such a startling case of a flagrant violation of the published provisions of the ethical practices code that inasmuch as it has definitely been established that you are a secretary-treasurer of a branch of organized labor, that quite obviously your case must be before them for disposition.

I was wondering whether or not you knew whether it was pending and whether a decision would be handed down by that high governing board.

Mr. HOLT. Senator, I respectfully stand on the statements I made previously.

The CHAIRMAN. I may say, Senator Mundt, if it was not before them today, I think this is headed for them.

Senator MUNDT. I think the American people are getting a little bit impatient, Mr. Chairman, about the fact that these cases are being brought before the ethical practices board without any expeditious disposition. A case as flagrant as this does not require a long period of deliberation on the part of that board, and I think the public would appreciate having a verdict, that either they approve this kind of practice or they do not.

If they do not, we ought to have some decisions coming down pretty rapidly.

The CHAIRMAN. We may have one situation where they would have to request the international teamsters to act since he is in the teamsters union. I think they could act as international officers.

Senator MUNDT. As I recall the testimony of Mr. Meany, that was the way in which they functioned. But the triggering off of this process has to be by the ethical practices board. They can then act—Mr. Jimmy Hoffa and the teamsters group, can take action—and if they do not taken action, Mr. Meany outlined the procedure which would be followed.

The CHAIRMAN. That is right.

Senator MUNDT. I get a lot of letters from people around the country who are following these hearings on television and through the press, criticizing the fact that nothing is happening on this ethical practices board on fifth amendment witnesses who take the amendment allegedly to protect some corrupt practice in a part of the union. I think we should start getting some action on cases as flagrant as this one.

Mr. KENNEDY. Could I say there, Senator, because I have been in touch with them to some extent, that they have already made certain representations, the AFL-CIO ethical practices committee, and the AFL-CIO officials themselves have already made representations to the teamsters union in certain areas. When these things are brought to their attention, then they make representations to the international union and request that certain action be taken. They have given them certain dates and are trying to get together now for a meeting. I thought that those facts should be brought to your attention so you would understand the complete picture.

It is now in the hands of the teamsters rather than in the hands of the ethical practices committee or the AFL-CIO.

Senator MUNDT. All the public wants is to translate these representations into results. There is failure to produce a result, because of the failure on the part of the teamster leadership, if that is the point—let the chips fall where they will—but let us get those results publicized, because this type of procedure is working a great injustice, in my opinion, and a great injury, on honest trade unionism in America. It is certainly most exasperating to the tens of thousands of teamsters and other union members who are paying dues. They are about ready to find out whether or not their money is being used to advance working conditions and improve them, or whether this is a whole pattern of corruption on the part of labor officials in minor positions or in high ones, using these dues from the workingman's family to further their own efforts.

Mr. Holt, you could be very helpful if you wanted to, in trying to disabuse the public consciousness of this conclusion. By taking the fifth amendment, you simply throw oil on the fire.

The CHAIRMAN. Is there anything further?

Mr. Kennedy?

Mr. KENNEDY. Mr. Chairman, our primary interest in Mr. Holt was the fact that he, according to the sworn testimony of Mr. Getlan, he, as a teamster official had a charter of the UAW.

I am wondering if you would tell us how you got that charter, where you got it from, and how it happened to come into your possession?

Mr. HOLT. Counsel, I cannot answer the question. It might result in a waiver of my rights, and I do not want to be deprived of my rights.

Mr. KENNEDY. You say that you refuse to answer on the grounds that the truthful answer might tend to incriminate you?

Mr. HOLT. My answer is the same as I have previously stated.

Mr. KENNEDY. What is that?

Mr. HOLT. I cannot answer the question because it might result in a waiver of my rights, upon which I desire to stand.

Mr. KENNEDY. What are your rights that you understand?

Mr. HOLT. I must respectfully decline to answer—

(The witness conferred with his counsel.)

Mr. HOLT. Because to answer may incriminate me and would deny me due process of law.

Mr. KENNEDY. So you do not want to answer the question as to how this UAW charter came into your possession, on the grounds that it might tend to incriminate you; is that right?

Mr. HOLT. I cannot answer any question that might result in a waiver of my rights.

Mr. KENNEDY. It has to be something more than that. It has to be that you feel that an answer might tend to incriminate you, not just that you were going to waive your rights. Do you feel that a truthful answer might tend to incriminate you?

Mr. HOLT. To answer may incriminate me, sir, and may deny me due process of law.

Mr. KENNEDY. That answer, I think will stand.

Did you buy this charter from anybody in the UAW, Mr. Holt?

Mr. HOLT. I cannot answer beyond what I have already stated, because it might result in a waiver of my rights, upon which I desire to stand.

Mr. KENNEDY. Which includes that it might tend to incriminate you; is that right?

Mr. HOLT. Yes; that is right.

Mr. KENNEDY. Did you make any arrangements to sell this charter at any time?

Mr. HOLT. I decline to answer respectfully, on the grounds that it may incriminate me.

Mr. KENNEDY. Mr. Chairman, on the question of Mr. Holt and his present indictment, he is under indictment for perjury in connection with the indictment of Mr. Johnny Dioguardi and John McNamara in New York on the grounds of extortion. Mr. Holt appeared before the grand jury and, based on his testimony before the grand jury, he was indicted for perjury.

The CHAIRMAN. Mr. Holt, I suppose we could ask many questions and you would give the same answers, that you would decline to answer on the grounds that it might tend to incriminate you. The only observation—

Mr. HOLT. I couldn't hear that, sir. Would you please repeat it?

The CHAIRMAN. I will say it again.

I say I assume that we could ask you many questions pertinent to this inquiry, and you would continue to decline to answer on the same grounds. You stated that you feel that a truthful answer might tend to incriminate you. I do not challenge that statement as to some of the questions, at least, that it might tend to incriminate you. But I just wonder if you and the others like you have any conception or care of the great damage you are doing to honest unionism in this country and to the honest laboring men and women who work and pay dues in good faith to a labor organization in the hope and in the expectation that they will receive benefits therefrom.

Do you have any conception or do you care what you are doing, you and those like you taking this position of not cooperating, and trying to obstruct the work of your Government to provide better unionism for the working people of this country?

Mr. HOLT. I didn't get that. Did you ask a question?

The CHAIRMAN. I asked it twice. I will ask this part of it again.

Mr. HOLT. I thought you made a statement.

The CHAIRMAN. Do you have any conception or do you care about what you are doing and what others like you are doing to hurt unionism in this country and the honest working people who pay their dues in good faith to unions with the expectation and hope of getting some benefit from it?

Mr. HOLT. Respectfully, sir, I may be deprived of my rights if I should answer your question or statement, and I desire to stand upon my previous statement.

The CHAIRMAN. You take the fifth amendment to that, also?

Mr. HOLT. Yes.

The CHAIRMAN. All right. You may stand aside.

Is there anything further this afternoon?

Mr. KENNEDY. That is all.

The CHAIRMAN. The committee will stand in recess until 10 o'clock tomorrow morning.

(Whereupon, at 4:22 p. m., the committee recessed, to reconvene at 10 a. m., Tuesday, August 6, 1957.)

(Members present at the taking of the recess: Senators McClellan, Mundt, and Curtis.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

TUESDAY, AUGUST 6, 1957

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER
ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee met at 10 a. m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senators John L. McClellan, Democrat, Arkansas; Irving M. Ives, Republican, New York; Barry Goldwater, Republican, Arizona; Karl E. Mundt, Republican, South Dakota; Carl T. Curtis, Republican, Nebraska.

Also present: Robert F. Kennedy, chief counsel; Paul J. Tierney, assistant counsel; Walter R. May, assistant counsel; Ruth Young Watt, chief clerk.

(Members present at the convening of the session: Senators McClellan, Ives, Goldwater, and Curtis.)

The CHAIRMAN. The committee will be in order.

All right, Mr. Counsel, call your first witness.

Mr. KENNEDY. Mr. Chairman, the first witness will be Mr. Stanley Lehrer, who is counsel for the Auto Glass Dealers, Inc., of Greater New York, and it will be in connection with the auto-dealers contract with one of the unions of Johnny Dio, and an arrangement made with Equitable Research, which was Johnny Dio's management consultant research firm.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. LEHRER. I do.

TESTIMONY OF STANLEY LEHRER

The CHAIRMAN. Will you state your name, your place of residence, and your business or occupation?

Mr. LEHRER. My name is Stanley Lehrer, I reside at 1321 East 101st Street, Brooklyn, and I am an attorney at law.

The CHAIRMAN. Thank you very much.

Being an attorney at law, I assume that you waive the right of additional counsel?

Mr. LEHRER. I do, sir.

The CHAIRMAN. Thank you.

Counsel, you may proceed.

Mr. KENNEDY. Mr. Lehrer, you are retained by the Auto Glass Dealers Association?

Mr. LEHRER. That is correct, sir.

Mr. KENNEDY. And you have been with them for how long?

Mr. LEHRER. Since approximately April or May of 1954.

Mr. KENNEDY. Where did they operate, or where are their headquarters?

Mr. LEHRER. Their headquarters are in New York City, an association comprising members of that industry, located in the New York City metropolitan area.

Mr. KENNEDY. How many members are there of the association?

Mr. LEHRER. Approximately 140 or 150.

Mr. KENNEDY. Could you tell us what the industry, the auto-glass industry is, and what you do, what these people do?

Mr. LEHRER. These people are the auto repairmen that replace automobile glass, in automobiles, of course.

Senator CURTIS. Is it an association of management?

Mr. LEHRER. An association of management; that is correct, sir.

Mr. KENNEDY. Have there been attempts to organize or unionize these members of this association?

Mr. LEHRER. Prior to 1955, there had been very few attempts, going back over many years, of which I have very little personal knowledge.

Mr. KENNEDY. For what reason hadn't there been attempts to organize them?

Mr. LEHRER. The auto-glass industry in New York City is comprised of approximately 200 shops. I guess at least 60 percent or more are 1-man owner-operated shops. By 1-man owner-operated shops I also include the partnership where there are 2 owners that have no employees.

Mr. KENNEDY. So there wouldn't be any reason, particularly, to organize them or unionize them?

Mr. LEHRER. That is my feeling, sir.

Mr. KENNEDY. For the most part, the people work for themselves?

Mr. LEHRER. That is correct.

Mr. KENNEDY. There wouldn't be any improvement in wages, hours, or conditions for these people; is that right?

Mr. LEHRER. That is correct, Mr. Kennedy.

Mr. KENNEDY. Now, in June or July of 1955, were you approached by several unions in an attempt to organize the shops?

Mr. LEHRER. Several of the employer shops of my client were approached by local 227. I believe at that time it was UAW-AFL.

Mr. KENNEDY. Who were the officials of that?

Mr. LEHRER. Harry Reiss was president, and Arthur Santa Maria held an office.

Mr. KENNEDY. And David Consentino?

Mr. LEHRER. Another office; yes, sir.

Mr. KENNEDY. At that same time, were you in June or July of 1955 approached by other unions in an attempt to organize?

Mr. LEHRER. That is correct, sir.

Mr. KENNEDY. Were you approached by local 5, by "Benny the Bug"?

Mr. LEHRER. That is correct.

Mr. KENNEDY. He came in to try to organize?

Mr. LEHRER. Correct.

Mr. KENNEDY. Were you approached by 259 of the UAW-CIO?

Mr. LEHRER. Several of the shops of my client were so approached.

Mr. KENNEDY. The head of that local was Mickey Finn?

Mr. LEHRER. So I have heard.

Mr. KENNEDY. What was the effect of the attempted organization of these shops on the owners, on the shops themselves?

Mr. LEHRER. Organizing a one-man shop in that industry is no problem to the union. The biggest weapon he has is the picket. In the auto-glass industry throughout the country in the past few years, since the advent of the curved windshield, the glass parts in the automobiles have meant that the auto-glass dealer, as such, must stock more and more glass. He cannot cut the glass, and he must order it. My clients' shops in New York City were not that financially able that they could stock glass to any large extent so that when an automobile came in for repair he relies on the distributor and the warehouse to ship him that piece of glass the very same day within a few hours after he orders it.

With the threat of picketing, forgetting for the moment the retail trade that would not cross the picket line, there was the problem that he could not get deliveries by truckdrivers who would refuse to cross the picket line. This was the problem that presented itself to him in the summer of 1955.

Mr. KENNEDY. Were there actually pickets on shops that were self-owned?

Mr. LEHRER. Yes; to my knowledge there was.

Mr. KENNEDY. The pickets would be placed outside the shop where the man was working by himself, and for himself?

Mr. LEHRER. That is correct.

Mr. KENNEDY. And the pickets would stop deliveries and pickups?

Mr. LEHRER. I wouldn't know whether the pickets would stop the delivery. I do know it has been reported, or it had been reported to me by the client that he couldn't get deliveries where truckmen refused to cross the picket line.

Mr. KENNEDY. Now, did you have any conversations with the officials of any of these unions during this period?

Mr. LEHRER. Yes; I did.

Mr. KENNEDY. With whom?

Mr. LEHRER. Local 227.

Mr. KENNEDY. That would be Harry Reiss?

Mr. LEHRER. Yes.

Mr. KENNEDY. What did you finally decide as far as Harry Reiss, as far as 227 was concerned?

Mr. LEHRER. Initially when there was picketing of some of the various shops, a general organization meeting of our employer organization was called. This was during the time the picketing was going on. Mr. Reiss had told several of the officers of the association that if the association would sign a recognition stipulation agreeing to recognize local 227 as the collective-bargaining agent he would call the pickets off during the time that the negotiations were in progress for a contract.

A meeting was then called by the officers of the client, at which meeting the general body voted not to sign any stipulation of recognition but instead to do all in their power to stave off any unionization drive.

Mr. KENNEDY. Did you ultimately change your minds about that?

Mr. LEHRER. We had to.

Mr. KENNEDY. Why? What occurred?

Mr. LEHRER. One of our shops, located in Brooklyn, was being picketed and being picketed quite heavily. This shop was more or less of a focal point in what we would term as automobile row. The auto glass dealer depends to a large extent on what we term a wholesale trade. That is, jobs come in to him from the new-car dealer and the used-car dealer and the service station and the like. This particular shop located in automobile row threatened, because he had no choice in the matter, unless the pickets were withdrawn he would have to capitulate and sign up with the union. In that event, the local 227 would have a weapon that they didn't have before and they then could, by means of secondary boycott, if you will, of all of these new-car agencies, used-car agencies and the wholesale accounts, direct their work to a union shop. There was no union shop in the area at the time.

With this particular shop threatening to capitulate—he had no choice in the matter—another meeting was called the very following week, 7 days later, at which time the general body of the association directed the executive board to enter into negotiations with local 227.

Mr. KENNEDY. Now, prior to this time had you had a conversation with one of your members by the name of Louie Boyar?

Mr. LEHRER. I did, sir.

Mr. KENNEDY. And had he telephoned you at one time when his shop was being picketed?

Mr. LEHRER. Yes, sir.

Mr. KENNEDY. What did he tell you at that time? That is Mr. B-o-y-a-r, Louis Boyar.

Mr. LEHRER. Mr. Boyar had been particularly heavy hit. Mr. Boyar owns a small shop in the East New York section of Brooklyn, a heavily populated area. Besides himself in the shop, he had two employees, and I might point out that that in New York City is considered a big shop.

He had been picketed for about 3 or 4 days. He was taking quite a bad beating from the picketing; businesswise, that is.

He called me up on Friday afternoon and asked me if I would meet him, to meet somebody that he thought could possibly help him get the pickets off. He wouldn't tell me who the person was, or how he got to him.

My initial reaction was I did not want to go at all. However, he pleaded with me and finally I went down at a prearranged appointment that Boyar had made with this individual and we met this individual.

Mr. KENNEDY. Where did you meet the individual?

Mr. LEHRER. On the lower east side of Manhattan, in some candy store.

Mr. KENNEDY. What conversation took place?

Mr. LEHRER. Mr. Boyar did most of the talking, and Mr. Boyar outlined his problem to him, and the fact his business was taking a terrific beating, especially in July, which is a particularly busy season for auto glass, and that he had been picketed for 3 or 4 or 5 days, or whatever the facts were.

Over my objection he proposed to this person that if he could, Boyar could possibly get together a number of the shops and perhaps make a payment of some sort to get the pickets off, and this person said he would see what he could do.

Mr. KENNEDY. Did this person say whom he would have to talk to to find out?

Mr. LEHRER. He mentioned the initials "J. D." and he said, "I will try and call J. D. and see what I can do."

Mr. KENNEDY. Did you understand later on that he called "J. D." or did you hear from Mr. Boyar?

Mr. LEHRER. On Monday of the following week, and this had been a Friday, Mr. Boyar called me and told me that he had received a call, that nothing could be done.

Mr. KENNEDY. Did you learn who you spoke with down at the restaurant on the east side of New York?

Mr. LEHRER. Mr. Boyar mentioned his name to me this morning as Mr. Stark.

Mr. KENNEDY. Do you know who Mr. Stark is?

Mr. LEHRER. I do not, sir.

Mr. KENNEDY. You never heard about that beyond that?

Mr. LEHRER. That was the last I ever heard of that.

Mr. KENNEDY. Can you describe Mr. Stark to the committee?

Mr. LEHRER. Mr. Stark was approximately 40 to 45 years old, short build, ruddy complexion. The most distinguishing feature about him was he looked like a prize fighter, pugnosed and cauliflower ears.

Mr. KENNEDY. Nothing ever occurred from that conversation?

Mr. LEHRER. Nothing ever occurred to my knowledge.

Mr. KENNEDY. So you went back and decided or your association met again, and you decided to sign up with local 227; is that right?

Mr. LEHRER. We decided to enter into negotiations with local 227.

Mr. KENNEDY. And did you enter into those negotiations?

Mr. LEHRER. We did, sir.

Mr. KENNEDY. And had you fairly well agreed on the terms of the contract?

Mr. LEHRER. I would say we had completed 80 or 90 percent of our negotiations.

Mr. KENNEDY. At that time, was there a question raised as to the question of jurisdictional picketing of your various shops, of another union coming in other than 227 and attempted to organize the shops?

Mr. LEHRER. Yes; there was.

Mr. KENNEDY. And was that raised with Mr. Harry Reiss?

Mr. LEHRER. Yes; it was.

Mr. KENNEDY. Did Mr. Harry Reiss then indicate to you or did he say that it was impossible for him to do anything to prevent that kind of organizational picketing?

Mr. LEHRER. That is correct. He said he was the president of his own local, and he could only control his own local, and he could not exercise any control over any other locals.

Mr. KENNEDY. Rather than organizational picketing, it would be jurisdictional picketing?

Mr. LEHRER. I would call it so.

Mr. KENNEDY. Other unions coming and trying to take the shop away from 227; is that right?

Mr. LEHRER. That is my belief.

Mr. KENNEDY. Did he say that he would not be able to prevent that?

Mr. LEHRER. That is correct, sir.

Mr. KENNEDY. Did he at that time, Mr. Harry Reiss, suggest to you anybody that might be able to prevent that?

Mr. LEHRER. Yes. We were negotiating for this contract. Present at the negotiations at this time—these negotiation meetings were held in a shop, one of the members' shops that had been picketed—was the entire executive board, about 3 or 4 of the other shops that were not members of the executive board but members of the association, and perhaps 3 or 4 attorneys who represented various individual clients within the association. We had progressed for about an hour and a half to 2 hours on negotiations on the contract when one member of the executive board raised the question to Mr. Reiss, "Well, what happens if we sign with you and some other locals along, as they have been coming along for the past 2 or 3 weeks, and starts to picket us?"

That is when we got the response that I described before.

Negotiations broke down at that point, and a period of about a half hour must have elapsed, and finally Mr. Reiss said, "Well, only one man can possibly help you in the city of New York in a problem of that type." He either mentioned the name "Equitable Research Associates Corp.," or "John Dioguardi," and I don't know which of the two names was mentioned first, and ultimately both were mentioned.

Mr. KENNEDY. Was it decided you would go and see Johnny Dioguardi?

Mr. LEHRER. Yes, it was.

Mr. KENNEDY. Did you go and meet with him?

Mr. LEHRER. Yes; we did.

Mr. KENNEDY. Representatives of the association and yourself?

Mr. LEHRER. That is correct, sir.

Mr. KENNEDY. Did you have discussions with Johnny Dio as to whether he could prevent any jurisdictional picketing of the shops?

Mr. LEHRER. We did, sir.

Mr. KENNEDY. And did Mr. Dio tell you at that time that he could prevent that jurisdictional picketing?

Mr. LEHRER. He did, sir.

Mr. KENNEDY. And did he make a request, for those services, for a payment of some \$2,500?

Mr. LEHRER. That is correct, sir.

Mr. KENNEDY. Was there a question raised by you and your clients as to that amount, paying that amount?

Mr. LEHRER. There was, sir.

Mr. KENNEDY. Now, at this time, about 80 percent of the terms of the contract had been agreed to; is that not right?

Mr. LEHRER. I would say so; yes, sir.

Mr. KENNEDY. So it wasn't really necessary to have Mr. Dio's assistance for the contract, but the assistance that was needed was to prevent this jurisdictional picketing.

Mr. LEHRER. That is correct.

Mr. KENNEDY. That might follow?

Mr. LEHRER. That is correct.

Mr. KENNEDY. So you went to see Mr. Dio, and you had a discussion about that. Who made the appointment for you to see Dio?

Mr. LEHRER. Initially, I believe Mr. Reiss had made the appointment for us. I do not know whether we kept the first appointment

or whether it was a subsequent appointment that had been made. But if I recall, it was Mr. Reiss who had made the appointment.

Mr. KENNEDY. Had you understood at that time that the charter for local 227 had been given to Mr. Reiss by Mr. Dioguardi when he was in charge of operations in New York City?

Mr. LEHRER. I did not know that, sir.

Mr. KENNEDY. You did not know that?

Mr. LEHRER. No, sir.

Mr. KENNEDY. And Mr. Dio did not indicate that to you in his conversation?

Mr. LEHRER. No. He did tell me during the course of the conversation that at one time he had been the regional director of the UAW.

Mr. KENNEDY. Now, when he raised the question of the \$2,500, and you people felt that was high, were there negotiations back and forth as to how much you would pay?

Mr. LEHRER. Yes, sir.

Mr. KENNEDY. Would you tell that to the committee?

Mr. LEHRER. Our association had and still has no treasury of any kind. The dues by the employers to this association were the startling figure of \$3 per month per shop. When he made the request of \$2,500, of course, it was quite evident to the client that they could not possibly get that kind of money. The executive board then met again and decided that it may come to pass that not everyone of the associations would fall into the union, and some might escape, and some might join other unions, and therefore, they should not be penalized. They felt that if that were the case some formula should be arrived at where only those who joined the union and had to engage Mr. Dioguardi's services would pay for the services proportionately.

So a formula was reached that we would enter into a 3-year contract with Equitable Research Associates Corp.; that is, Mr. Dioguardi's outfit, and each member of our association who signed a union contract would pay to Equitable Research or actually he would pay it to the association who, in turn, would pay it to Equitable, the sum of \$8.33 per year for each employee in the union. That came to \$25 for an employee over a 3-year period which was to be payable yearly.

Mr. KENNEDY. And you signed a contract with Equitable Research on that basis?

Mr. LEHRER. We entered into a written contract to that effect.

Mr. KENNEDY. Now, at the time that the written contract was entered into, was there further discussion about him preventing any jurisdictional picketing of your shops, and whether that should be written in?

Mr. LEHRER. That conversation that I believe you are referring to occurred during the negotiations for that written contract.

Mr. KENNEDY. Did Johnny Dio or his representatives, Noah Braunstein—

Mr. LEHRER. Are you referring to his attorney, Braunstein?

Mr. KENNEDY. Yes, the negotiations were carried out with the attorney, Noah Braunstein.

Mr. LEHRER. The negotiations for the actual written contract were made with Noah Braunstein.

Mr. KENNEDY. This is the contract between the association and Equitable Research?

Mr. LEHRER. That is correct, sir.

Mr. KENNEDY. There are two contracts we are talking about, one between 227 and the association, and the other between Equitable Research and the association?

Mr. LEHRER. That is correct.

Mr. KENNEDY. Now, the contract between the Equitable Research and the association, those negotiations were carried out between the association and Dio and with Braunstein; is that correct?

Mr. LEHRER. That is correct, sir.

Mr. KENNEDY. When the question was raised as to putting in the contract that Johnny Dio was going to guarantee that there would be no jurisdictional picketing, what was the reaction to that?

Mr. LEHRER. I had asked to have it put in the contract, and that was the purpose that we have gone to Equitable in the first place. Braunstein of course said that "No, we can't put that in the contract."

We discussed it with Mr. Dioguardi, and he said, "You have got my word, and I will guarantee to you that you will never have any jurisdictional dispute," and in fact we never did have any jurisdictional dispute.

Mr. KENNEDY. "Benny the Bug" never came back?

Mr. LEHRER. He never came back.

Mr. KENNEDY. Speaking of Benny the Bug, were you introduced to him as "Benny Ross" or were you introduced to him as "Benny the Bug"?

Mr. LEHRER. Fortunately, I was not introduced to him.

Mr. KENNEDY. Did you understand his name to be Benny Ross?

Mr. LEHRER. I had been told his name was "Benny the Bug," and I didn't know his name was Benny Ross.

Mr. KENNEDY. But he never reappeared after the contract was signed with Equitable Research?

Mr. LEHRER. That is correct.

Mr. KENNEDY. And Mickey Finn never reappeared?

Mr. LEHRER. That is correct.

Mr. KENNEDY. And, in fact, you have had no problem with any other union since this contract has been signed with Equitable Research?

Mr. LEHRER. That is correct.

Mr. KENNEDY. Mr. Chairman, there is a copy of the contract that was signed.

The CHAIRMAN. The Chair presents to you what purports to be a photostatic copy of the contract about which you have been testifying, dated August 18, 1955, between Equitable Research Associates, a corporation, and the Auto Glass Dealers Association, Inc.

Will you please examine this document and state if you identify it?
(A document was handed to the witness.)

Mr. LEHRER. This is a photostatic copy of the contract dated August 18, 1955, between Equitable Research Associates and my client.

The CHAIRMAN. That is the contract you have been talking about.

Mr. LEHRER. That is correct.

The CHAIRMAN. You have been testifying about that?

Mr. LEHRER. Yes, sir.

The CHAIRMAN. It may be made exhibit No. 22.

(The document referred to was marked "Exhibit No. 22" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. You went on and did sign another contract or signed a contract with local 227?

Mr. LEHRER. That is correct, sir.

Mr. KENNEDY. Did Mr. Dio assist at the tail end in that, also?

Mr. LEHRER. Well, Equitable Research had a representative at the next meeting with local 227, with the executive board of my client.

Mr. KENNEDY. The contract was ultimately signed in September?

Mr. LEHRER. It was.

Mr. KENNEDY. And that contract, you will agree, was a sweetheart contract; is that right?

Mr. LEHRER. I will agree it was a very favorable contract—to a one-man employer shop that had no need to join any union in the first place.

Mr. KENNEDY. It was a very soft contract?

Mr. LEHRER. Yes, sir.

The CHAIRMAN. Do I understand you, you were unable to negotiate this contract between the union and your associates until after you had engaged the services of Equitable Research?

Mr. LEHRER. That is not a correct statement, Senator.

The CHAIRMAN. What is correct?

Mr. LEHRER. We had practically completed our negotiations and were about to sign it when the question of jurisdictional disputes arose.

It was at that time that we went to Equitable Research and entered into the Equitable Research contract.

The CHAIRMAN. In other words, when you reached a point in your negotiations with the union where the union could not give you protection from raiding unions, and picketing that would have disrupted all of your agreement, it was suggested that you go to Johnny Dio's group.

Mr. LEHRER. That is correct.

The CHAIRMAN. The Research Associates group and enter into a contract with him?

Mr. LEHRER. That is correct.

The CHAIRMAN. That is for protection, and that is what it actually amounted to, was it not?

Mr. LEHRER. That is correct.

The CHAIRMAN. There is no other word that I know to describe it; do you?

Mr. LEHRER. No, sir.

The CHAIRMAN. All right. After you had entered into that agreement for protection with the Dio group, then you concluded later, a little later, your negotiations with the union and signed this contract.

Mr. LEHRER. That is correct, Mr. Chairman.

Senator IVES. May I ask a question there?

I would like to ask the witness what these contracts cost. I think I understand what the contract cost between your association and the Dio outfit, but what did the contract with 227 cost you?

Mr. LEHRER. I don't follow your question, Senator.

Senator IVES. What was paid for all of this business? You had to pay something to join the union.

Mr. LEHRER. Oh, I understand. I believe Mr. Kennedy has a chart that I have prepared, where initiation fees by the members into the union were listed.

Mr. Reiss had given an accelerated initiation fee by employees into the union and started at \$10 a month, and 30 days later it went up to \$15 and so on up the scale.

I don't remember the exact figures. It is on that chart that Mr. Kennedy has.

Senator IVES. Is the counsel going to present this chart? If you are going to present it, I will not ask these questions, because there is no point in bringing it out now.

Mr. KENNEDY. Is this what you are talking about?

Mr. LEHRER. Is that the letter from the union?

Mr. KENNEDY. Yes.

Mr. LEHRER. That explains the situation, Senator.

Senator IVES. I will not ask the questions, then.

The CHAIRMAN. In the meantime, I want to get this contract in. The Chair presents to you what purports to be a photostatic copy of a contract dated the 1st day of September 1955, by and between Local Union 227, UAW-AFL, and the Auto Glass Dealers Association.

Now, I will ask you to examine this photostatic copy and see if you identify it, and state if that is the contract between your association and the union about which you have been testifying.

(A document was handed to the witness.)

Mr. LEHRER. This is a photostatic copy of the contract entered into by my client and local 227.

The CHAIRMAN. That may be made exhibit 23.

(The document referred to was marked "Exhibit No. 23" for reference and may be found in the files of the select committee.)

The CHAIRMAN. Senator Ives was interrogating you about what was actually involved, what the union got out of it, and now I hand you what purports to be a photostatic copy of a letter dated August 30, 1955, to Mr. Stanley Lehrer, Brooklyn, N. Y., from Harry Reiss, president of local 227.

I ask you to examine this photostatic copy and state if you identify it.

(A document was handed to the witness.)

Mr. LEHRER. This is a letter sent by the union which reflects the agreement with respect to initiation fees by employees into local 227.

The CHAIRMAN. Will you read that letter into the record, sir?

Mr. LEHRER. This letter is dated August 30, 1955, on the letter-head of Local 227, United Auto Workers, New York City:

At a meeting of the local executive board, the following program of initiation fees and dues were resolved with regard to the Auto Glass Dealers Association employees.

For the first 30 days after the effective date of the master contract, initiation fees shall be \$6.25. For the next 30 days, the initiation fee shall be \$10 per member.

After 60 days, following the effective date of the contract, the initiation fee shall be \$25 for an employer member and \$50 for an employee member.

At all times an employer member shall be a B card member of the union. Work permits in conformity with article II of the master contract (probationary period) shall be issued to employees in members' shops. This shall cost the probationary member \$5 per month and shall be applicable to the initiation fee of \$50 upon the completion of the probationary period. All those who are self-employed shall become members of the union on a B card basis.

In any shop where there are 2 or more men, 1 man will be regarded as the employer and not required to join the union.

Senator IVES. Mr. Chairman, I would like to ask the witness a question in line with what he has just read, and in line with what has been said about the fees or whatever they are called in connection with your association and the Dio outfit.

What is the combined cost to the members of the association?

Mr. LEHRER. I do not understand your question.

Senator IVES. Well, take an example of a member who has two employees, which would be fair, I think, and you say that is kind of large and one employee be more general. How much would it cost where the association is concerned and where the union is concerned? What is the total cost for him?

Mr. LEHRER. He had paid in actual fact for the two employees, a total of \$80 to the association's special labor fund that we had set up. Of that \$80, \$50 of it was earmarked for Equitable Research pursuant to the contract with Equitable Research. The other \$30 was retained by the association, and we still have that money in our association treasury so that when the 3-year contract with 227 expires, we had a war fund of some kind to see what we could do at that time, that we would not be caught short.

Senator IVES. What is that, the first year?

Mr. LEHRER. That was the total payment he made for the entire 3-year contract, \$80.

Senator IVES. That is for 3 years?

Mr. LEHRER. That is right. Now, if it was a shop that just had employees, where the boss did not have to join, it did not cost anything further. If it was a shop with two employees, it did not cost anything further.

A more pointed question would be, How much did it cost the man who was self-employed and had no employees? He paid \$40 into the association, \$25 earmarked for Equitable and \$15 earmarked for our emergency war fund.

In addition, he paid an initiation fee, this self-employed owner, to the union in line with the schedule recited in that letter from local 227.

Senator IVES. That is the union you are talking about there at the last?

Mr. LEHRER. Yes.

Senator IVES. What is the total? Take the employer with two employees and I asked you what would be the total.

Mr. LEHRER. \$80 would be the total.

Senator IVES. That was for your association for 3 years?

Mr. LEHRER. That is correct.

Senator IVES. How about the union.

Mr. LEHRER. The man with two employees, the employees were required to pay the initiation fee.

Senator IVES. What is the total?

Mr. LEHRER. I don't follow you, Senator.

Senator IVES. What do the employees pay? What is the total cost?

Assume you have two employees and they belong to the union. How much do the employees pay over a 3-year period? They had the initiation fee, presumably; that is one thing. There were 2 of them and they had 2 initiation fees and then they have their annual dues.

Mr. LEHRER. Senator, whether I am confusing your question, I don't know. There are two things involved. There is that amount

that the employer, my client would pay, and there is that amount that the union employee, the member of the union itself, would pay. Which are you referring to?

Senator IVES. I am referring to that now.

Mr. LEHRER. The union employee?

Senator IVES. Yes, how much do they pay?

Mr. LEHRER. I believe the dues to the union were \$4 per month and the initiation fee into the union was in line with that schedule pursuant to that letter that I read before.

Senator IVES. What would that be? You have 2 employees over a 3-year period, and you can figure that out.

Mr. LEHRER. The employer paid \$80, and the employee paid \$6.35 initiation into the union the first 30 days.

Senator IVES. What has the employer got to do with paying dues to the union?

Mr. LEHRER. Nothing.

Senator IVES. That is what I am trying to find out. I know what the employer paid. He paid \$80 for 3 years; is that right?

Mr. LEHRER. That is correct.

Senator IVES. All right, now I am talking about the employees, and what do they pay?

Mr. LEHRER. \$4 a month.

Senator IVES. That is \$48 plus the initiation fee. You have 3 years and that is \$144.

Mr. LEHRER. Yes.

Senator IVES. Plus their initiation fees.

Mr. LEHRER. That is correct.

Senator IVES. It runs into quite a sizable amount before you get through. What were their salaries?

Mr. LEHRER. The salaries in the New York area in the auto-glass shops range anywhere from \$60 a week to approximately \$120. It may vary, it may be higher in some instances and lower in some instances.

Senator IVES. Did that have any bearing on the dues they paid?

Mr. LEHRER. None whatsoever.

Senator CURTIS. Would the distinguished Senator from New York yield at this point?

Senator IVES. Surely.

Senator CURTIS. Take the self-employed man who runs a one-man shop. He is the owner and with no employees. What, if anything, would he have to pay to the union?

Mr. LEHRER. The initiation fee into the union, and the \$4 a month dues for a B card.

Senator CURTIS. Even though he was an employer?

Mr. LEHRER. Yes. That is correct.

Senator CURTIS. So your one-man shop would have to pay to the union in 3 years roughly \$150?

Mr. LEHRER. \$144 plus the initiation fee; yes.

Senator CURTIS. And he would have to pay how much to the association?

Mr. LEHRER. \$40 once, to cover the 3-year period.

Senator CURTIS. Now, he pays that notwithstanding the fact that he is not an employee.

Mr. LEHRER. That is correct, Senator.

Senator CURTIS. I have been glancing at the National Labor Relations Act, and here is the fundamental principle of it:

Employees shall have the right to self-organization to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing and to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.

In other words, it is an employees' act, an act that grants certain rights and protections and immunities to employees. Here we have under the cloak of that, organizations going about making levies upon employers who have no employees.

I think if there were not crooks and hoodlums involved we have a practice and a situation at law which is not good.

Senator Ives, were you through? I shall yield back to you.

Senator IVES. I was going to ask the witness why he did not take this thing to court.

Mr. LEHRER. I am glad you asked that, Senator. As I stated before, Senator, the worst thing this individual owner has to fear is the picket line. Under our New York State law, there are certain grounds on which we can get an injunction.

Senator IVES. You mean under the State labor relations act. I understand that and I realize what you are up against.

Mr. LEHRER. And there is the time element, Senator. If I could be permitted to answer the distinguished Senator and yourself on the very problem, let us take every assumption in favor of the employer, the single entrepreneur, and give him the benefit of every doubt timewise.

Assume that the Ace Glass Shop, a fictitious shop, opens up his store on a Monday morning and finds a picket line outside of his door. He calls his attorney up, and assume he is lucky enough to get his attorney in on a Monday morning, and explains the situation.

By that I mean the attorney may not be engaged elsewhere and assume further that the attorney can lay aside everything else he has to do that day, and his stenographer can lay aside everything else she has got to do that day and prepare the rather long set of papers that are required to make an application to the supreme court for a temporary injunction.

Giving him the benefit of every doubt, it is now 3 o'clock. The employer rushes down to the lawyer's office and signs the affidavit for the injunction, and the attorney then, granting him every assumption, and I am saying that repeatedly, runs into the court and finds a judge to sign the order to show cause.

That means in effect, it is an order to the union, not to stop picketing, because temporary restraining orders are very difficult to get, but to show cause why an order should not be entered stopping the picketing.

The judge signs this order on Monday and the earliest he could possibly make this returnable would be on a Thursday. Then he says in his order that a copy of this order be served upon the union before Wednesday, 12 noon. We have taken every assumption and we have our order on Monday afternoon signed.

Now, go and find the union official. If it is summer time, they are in the country and they are elsewhere and they are at the beach and there is no one around the office. You can't serve the stenographer

in the union office and you can't serve the picket. Our law does not permit that.

Senator IVES. Wait a minute. You are talking about the State law?

Mr. LEHRER. Yes, Senator. We must remember that my client here was involved with State and not Federal law in this particular instance.

Senator IVES. I am trying to find out about the State law, because I am going to have something to say when you get through.

Mr. LEHRER. Now, assume we are lucky enough and we serve a union official prior to Wednesday. In the meantime, the picket line is marching up and down. No deliveries have been made to this small auto-glass shop who is dependent upon deliveries and retail trade has bogged down.

The union shops that are referring him work won't cross the picket line. Yet, the picket line is marching back and forth and it is now Wednesday. Thursday morning we appear in court.

Nine out of 10 times the union attorney comes in and tells the judge, "I just received the papers and I have not had a chance to prepare a reply. I want an adjournment for a day or so."

We are lucky and the judge says, "Argue the motion now and submit your papers tomorrow." We argue our motion on Thursday. On Friday, if we are lucky, we get a decision.

I then must prepare an order, have the court sign it and then find the union officials once again to serve it on, before picketing can be stopped. That is next Monday or Tuesday.

In the interim, that shop has been picketed for 7 or 8 days.

There are very, very few single-owner shops in New York City, that can withstand the financial strain of picketing for that long a time in New York City.

Senator IVES. May I ask you a question?

Have you any idea as to whether the State Labor Relations Act can be amended to help you in that respect?

Mr. LEHRER. Yes, Senator.

Senator IVES. Have you prepared amendments for that purpose?

Mr. LEHRER. No; I have not.

Senator IVES. I was in touch yesterday with the chairman of the Joint Legislative Committee on Industrial and Labor Conditions, and I urged him to consider amendments to that act to enable the State to help you people cope with this kind of a situation. Of course, I do not know what their program is for the present year, and they may not be able to get to it, and I hope they are.

But in the meantime, I would suggest that you yourself prepare amendments and get ready to be heard on the subject about which you are talking.

Mr. LEHRER. Would this committee care to hear a recommendation I have on that line?

Senator IVES. This committee has nothing to do with it. You are talking about a State Labor Relations Act which we have nothing to do with at all. I am talking about what you can do in the State of New York.

Mr. LEHRER. I appreciate your suggestion.

Senator IVES. I am trying to give you a helpful suggestion. I think that is where your remedy lies.

Mr. LEHRER. I would like the opportunity to answer Senator Curtis' question.

Senator CURTIS. I wish to proceed further when Senator Ives is through.

Mr. LEHRER. I wanted to answer your remarks a few moments ago. I don't know whether you were directing your excerpts from the National Labor Relations Act at my client or at the union. I am inclined to think that perhaps you were a little severe with the client.

Senator CURTIS. Oh, no.

Mr. LEHRER. We had no choice in the matter, Senator.

Senator CURTIS. I understand that. I merely wish the record to show how far a minority in the labor movement has gone from the original concept of the law that gives employees the right to meet and organize to better themselves.

Mr. LEHRER. I just hope you weren't implying that my client here was doing it. We were talking about these figures. That is not the fact.

Senator CURTIS. I was talking about the responsibility of Congress for permitting such things to happen.

I want to ask you a question, and I am going to confine these questions to that 60 percent of your members that you represent who constitute self-employed people without employees. That was correct, was it, about 60 percent?

Mr. LEHRER. I could say so, sir.

Senator CURTIS. What would happen if one of those self-employed men with no employees said, "I am going to resist the union and I am going to resist all of the efforts of my associate self-employed people to pacify them in any way"?

What would happen to him?

Mr. LEHRER. I think that I outlined that to you a few moments ago.

Senator CURTIS. But briefly, just what would happen to him?

Mr. LEHRER. I would guess he would be out of business within a short period of time.

Senator CURTIS. Would anything else happen to him? Suppose he happens to be an individual who financially could stand it for a little while. What else would happen to him?

Mr. LEHRER. I was directing my remarks strictly from the financial point of view in what he would lose in terms of immediate money, from business loss, and from wholesale accounts that he would lose and perhaps take years to win back. Our field is very highly competitive in New York City.

Senator CURTIS. Well, we will not go into the question of whether or not he would suffer threats—

Mr. LEHRER. Is that what you are driving at? I couldn't possibly answer that question, and I don't know.

Senator CURTIS. But he would be out of business.

Mr. LEHRER. I would think so, sir.

Senator CURTIS. So here we have people using an act written for employees, making a levy on someone that is not an employee and has no employees, saying, "You go out of business or you deal with us."

That is what it amounts to, does it not?

Mr. LEHRER. Yes.

Senator CURTIS. Now, do you think that general practice has any effect upon the trend toward monopoly, and the driving out of business of small-business men? I am not confining my question to the auto glass people.

Mr. LEHRER. I couldn't possibly render an opinion, a curbstone opinion so fast, Senator, on a subject of that nature.

Senator CURTIS. Most of these people are small-business people.

Mr. LEHRER. Yes, Senator.

Senator CURTIS. It does add to their burdens and worries and problems in maintaining themselves as small business.

Mr. LEHRER. Very much so.

Senator CURTIS. And it adds costs at a time when they have many lawful requirements to meet in taxes, permits, licenses, rents, and increasing costs, and so on?

Mr. LEHRER. Yes; that is correct, Senator.

Senator CURTIS. I do not expect you to provide an answer for this committee, but I do want to raise for the record this proposition: That is the legal situation which we permit here not only drives small-business men out of business, but it prohibits a lot of other people from becoming owners and operators. It is destroying one of the things that makes our economy go, the desire of people who work to go into business for themselves, and thus they make opportunities for other people coming along and seeking jobs.

I want to say you have been a good witness here. Sometimes it is said that a lawyer is a poor witness. You have provided good evidence to the contrary.

(At this point, Senator Mundt entered the hearing room.)

The CHAIRMAN. I would like to have you follow me for just a moment. I think the record is clear but let us take the one man, the self-employed person, and find out what he had to pay under the two contracts.

First, he paid \$40 to your association.

Mr. LEHRER. That is right. That is correct.

The CHAIRMAN. Fifteen dollars of that, however, was set aside for a war chest, or whatever you term it.

Mr. LEHRER. That is correct.

The CHAIRMAN. But he paid that, and he had to pay that because of these conditions, that \$15.

Mr. LEHRER. I am sorry, I couldn't hear the last part of your question.

The CHAIRMAN. He had to pay \$15, although it did not go to these people.

Mr. LEHRER. We still have that money in a trust fund.

The CHAIRMAN. But he had to pay it. That is the only reason for paying it into the association—for protection.

Mr. LEHRER. That is correct.

The CHAIRMAN. So he pays first the \$40 to the association. Next he has to pay \$6.35 if he comes in within the first 30 days.

Mr. LEHRER. That is correct.

The CHAIRMAN. That is an initiation fee to the union. That makes \$46.35 initially.

Then for 3 years he pays \$48 a year dues, or \$144.

Mr. LEHRER. That is correct.

The CHAIRMAN. That makes a total of \$190.35, the very minimum that he has to pay for the 3-year protection.

Mr. LEHRER. Providing of course he came within that first 3-month period.

The CHAIRMAN. I am talking about that.

Mr. LEHRER. Yes.

The CHAIRMAN. Now, the others have to pay more?

Mr. LEHRER. Yes, sir.

The CHAIRMAN. But that is the minimum under the contract that anyone got by with, under the two contracts?

Mr. LEHRER. That is right.

The CHAIRMAN. I think the record is clear.

Senator GOLDWATER. Mr. Lehrer, do you represent any other employer associations?

Mr. LEHRER. Do I represent any other employer associations?

Senator GOLDWATER. Yes.

Mr. LEHRER. I do, sir.

Senator GOLDWATER. Which one.

Mr. LEHRER. I represent a National Auto & Plate Glass Dealers Association, having nothing to do with the New York association, and with no union affiliations whatsoever.

Senator GOLDWATER. How about New York City itself; do you represent any others?

Mr. LEHRER. No, sir.

Senator GOLDWATER. Have you ever had to, in connection with your work with that national organization, enter into any negotiations with Johnny Dio?

Mr. LEHRER. No, sir.

Senator GOLDWATER. Now, Mr. Lehrer, when you were before the grand jury, you identified Harry Reiss as the person who recommended that you see Johnny Dio, and the Equitable Research Corp.?

Mr. LEHRER. Yes, sir.

Senator GOLDWATER. Now immediately after you received the subpoena to appear before the New York County grand jury, did you meet with Johnny Dio in a restaurant?

Mr. LEHRER. Yes, sir.

Senator GOLDWATER. In New York City?

Mr. LEHRER. Yes, sir; I did, sir.

Senator GOLDWATER. Did he suggest at that time any direction that your testimony might take?

Mr. LEHRER. No. There was a very brief conversation with respect to something involved in my testimony to the effect that when I met him that day on some matter concerning this contract, he asked me, or said to me, "You don't recall who recommended me," or something to that effect. I just initially said, "I don't remember," and that dropped the conversation.

Senator GOLDWATER. But you subsequently definitely identified Reiss as the man who sent you there?

Mr. LEHRER. Yes, sir.

Senator GOLDWATER. Now, at any time during your contacts with Johnny Dio were you threatened?

Mr. LEHRER. Never, sir.

Senator GOLDWATER. Either by him or by others?

Mr. LEHRER. Never, sir.

Senator GOLDWATER. In view of the fact that you have given some rather strong testimony before the grand jury and before this committee, strong I would say against the activities of Mr. Dio, do you feel any danger today in testifying as you have?

Mr. LEHRER. I do not, sir.

Senator GOLDWATER. No threats have been made against you?

Mr. LEHRER. No, sir. The problem I have presented here, Senator, is not only confined to Equitable Research, but it is confined throughout this country to the small-business man. I wanted the opportunity to answer the Senator before, that I feel that certain innuendos have arisen from these committee hearings where small-business men are beginning to appear that all they seem to do is enter into collusive contracts with unions, which is not the fact. For every union contract entered into by a small-business man that you may term collusive, there are many many legitimate contracts. I feel that the small-business men should be protected to that sense, and should not be brought to his knees by the threat of picketing, and the threat that he may be entering into a collusive contract.

Senator GOLDWATER. Now, you have outlined a situation that exists in New York, and we know it exists in other communities around the country, and as you suggested it exists to a somewhat limited extent.

But here just 2 or 3 days ago, or possibly the last part of last week, a statement was made by one of the teamster heads, a man with ambition, to the effect he was going to try to bring all transportation in this country under the domination of his union.

Now, it is not very difficult for us to understand what would happen if that man or any one man in this country held in his hands the transportation of the United States.

What you have described as happening in New York from rackets, and picketing of one-man shops, could happen across the length and breadth of this land. To me it is one of the most dangerous statements that has been made by a union leader, a union leader either responsible or irresponsible, because there isn't a small business in America nor many large ones that today with the margin of profits being what they are, and with taxes being what they are, could survive a teamster effort to deny him either transportation into his shop or from his shop.

I think what you have pointed up, and very clearly pointed up, as existing in New York, can serve as a warning to the people of this country of what will happen when one man—I don't care whether his name is Jimmy Hoffa or Walter Reuther, or Joe Smith—has in his hands or acquires the power to say to the business people of this country and to the public of this country, "You cannot move goods in and out of your shop and you cannot even travel to and from the cities where you want to travel."

I take this opportunity to say what I said because you are the first one to my mind to give us a graphic example of how picketing and the pressure behind it works, and the answer to Senator Curtis' question, how it is almost impossible to obtain relief in time under our laws today.

I think that there was a time when a businessman could last a month, or 2, or 6 months. but he can't do it today with the profits being what they are.

Mr. LEHRER. That is correct, sir.

Senator GOLDWATER. I hope the people of this country take heed, because the handwriting is on the wall, and the hand is moving the chalk even further. I hope they will wake up to the evidence which is being presented before this committee daily, that power is the evil that confronts the future of the unions of this country.

I hope they take heed, too, and do not allow this power to accrue in one man's hands.

Senator CURTIS. Mr. Chairman?

The CHAIRMAN. Senator Curtis.

Senator CURTIS. A bit ago I quoted from the National Labor Relations Act concerning the basic rights of individual employees.

This is not a question, Mr. Witness.

I merely also want to read into the record at this point from section 8 (b) (4) (A). It provides:

It shall be an unfair labor practice for a labor organization or its agent and then coming down to that section

forcing or requiring any employer or self-employed person to join any labor or employee organization.

The whole activity engaged in by these alleged union agents was basically unlawful.

(At this point, Senator McClellan withdrew from the hearing room.)

Senator IVES. Go ahead, Mr. Counsel.

Mr. KENNEDY. On the payments to Equitable Research, I would like to get that into the record, Mr. Lehrer. On October 19, 1955, you sent a check to Mr. Noah Braunstein?

Mr. LEHRER. Yes, that is correct.

Mr. KENNEDY. And then on December 7, 1955, and on January 19, 1956. There were three checks, the first one on October 19, 1955, for \$499.80, the second one on December 7, 1955, for \$199.92, and the third one on January 19, 1956, for \$108.29.

Senator IVES. I want to hand the witness photostatic copies of the three checks referred to by the counsel, and letters accompanying them, which indicate what they are. I would like to have you identify them, if you will, please.

(Document handed to witness.)

Mr. KENNEDY. That makes a total of \$808.01.

Mr. LEHRER. Do you just want me to identify them as being the checks?

Senator IVES. That is right.

Mr. LEHRER. They are the payments made by my client pursuant to the Equitable contract to Equitable Research Association Corp.

Senator IVES. That applies to all three?

Mr. LEHRER. I am sorry, Senator?

Senator IVES. That applies to all three payments?

Mr. LEHRER. All three payments; yes.

Senator IVES. Those will be exhibit 24 A, B, and C.

(The documents referred to were marked "Exhibit 24 A, B, and C" for reference and will be found in the appendix on pp. 3985-3990.)

Mr. KENNEDY. That was for the first year of a 3-year contract?

Mr. LEHRER. That is correct.

Mr. KENNEDY. What were the arrangements? When the contract was signed, were all of the shops brought in, all of the glass shops in on this contract?

Mr. LEHRER. No, sir.

Mr. KENNEDY. There were some that were not signed?

Mr. LEHRER. I would say about one-third of the membership of the client ultimately came into the union.

Mr. KENNEDY. Did Mr. Reiss want all of the shops in the union?

Mr. LEHRER. Apparently he must have.

Mr. KENNEDY. Well, just answer the question. Did he want all the shops?

Mr. LEHRER. I don't follow your question.

Mr. KENNEDY. Did he ask you for a list of all the shops?

Mr. LEHRER. Yes. He asked us for a list and we refused him.

Mr. KENNEDY. You refused to turn over the list?

Mr. LEHRER. Yes.

Mr. KENNEDY. So it was up to him to find the other shops; is that correct?

Mr. LEHRER. That is correct.

Mr. KENNEDY. Under the contract arrangements with Dio, his payment or his fee would depend on how many people local 227 signed up; is that right?

Mr. LEHRER. That is correct.

Mr. KENNEDY. If they signed up more, if they got the rest of the shops, his fee would get that much greater; is that right?

Mr. LEHRER. It was a contingent arrangement, that is correct.

Mr. KENNEDY. This \$808 was for the first year?

Mr. LEHRER. That is correct.

Mr. KENNEDY. Was there any payment made in the second year?

Mr. LEHRER. No, sir.

Mr. KENNEDY. For what reason?

Mr. LEHRER. The second payment became due somewhere around September of 1956. At that time, Mr. Dioguardi was under indictment, under several indictments in New York, and the client voted to disaffirm the contract and make no further payments.

Mr. KENNEDY. And so no payments have been made?

Mr. LEHRER. And no payments have been made.

Mr. KENNEDY. Did you urge the membership, or did the association urge the membership, to join the union back in 1955?

Mr. LEHRER. They did not.

Senator CURTIS. What was that last question, Mr. Counsel?

Mr. KENNEDY. I tried to find out whether the association urged its membership to sign up with the union, getting in with the union at that time.

You say they did not?

Mr. LEHRER. Well, we had sent the communication out regarding the contract and what was involved. Other than that, there was no urging that I know of by any member of the client to join the union.

Senator CURTIS. I want to ask a question in that connection. Insofar as you know, did the union ever seek out the employees and advise them of their desire to organize and the benefits that might come to them?

(At this point Senator McClellan entered the hearing room.)

Mr. LEHRER. There were several shops that I had been told about that the union had gone in and signed the employees, yes. There were several shops.

Senator IVES. Mr. Lehrer, I have in my hand what purports to be a notice of the Auto Dealers Association, Inc., dated September 6, 1955, and headed "Please read carefully. Indifference will cost you money" and again "Please read carefully," signed by Frank Lurrey, president, Stanley Lehrer, counsel, and Morris S. Gorman, executive secretary.

I would like to hand you this copy and see if you can identify it.

(Document handed to witness.)

Mr. LEHRER. Yes, I recall this letter, Senator.

Senator IVES. That would indicate, would it not, that your association rather urged the members to join?

Mr. LEHRER. No, Senator, for this reason. We have a meeting of our association, as in any organization, and attendance is a problem. It is up to the officials of the association to do what they can to increase attendance. We had a provision in the contract with 227 that called for lower initiation fee if they joined within 30 days. The executive board felt that this must be pointedly called to the attention of many members who never come to meetings and who are not apprised of what is going on. If it weren't done that way, then 3 or 4 months later Reiss would walk into their shops and demand a \$50 initiation fee, when, had they been informed as this letter, which you just showed me, they could have paid \$6.35.

This is the extent that I can recall of any communication going out to the client with respect to the very problem you are now raising.

Senator IVES. That will be exhibit No. 25.

Mr. KENNEDY. Could I read it into the record?

Senator IVES. Yes.

(The document referred to was marked "Exhibit 25," and follows.)

Mr. KENNEDY. Dated September 6, 1955.

PLEASE READ CAREFULLY

INDIFFERENCE WILL COST YOU MONEY

PLEASE READ CAREFULLY

At the regular body meeting of September 1, your association ratified and approved a master union contract with local 227, UAW-AFL. This contract became operative as of September 1, 1955, and is now available to all members of the association in good standing.

In order to take advantage of the most favorable terms contained in this master agreement, you are required to come within its provisions no later than September 30. This is of utmost importance as you can save considerable money by prompt action.

Accordingly, please phone the association office as soon as possible, and make the necessary arrangements. Evening appointments will be made if required.

To the many shops who have already complied, be advised that any further inquiries are also to be directed to the association office.

Very truly yours,

FRANK LURREY, *President.*

STANLEY LEHRER, *Counsel.*

MORRIS S. GORMAN, *Executive Secretary.*

That is on the stationery of the Auto Glass Dealers Association, Inc.

So there was some urging to come in within the provisions of the contract?

Mr. LEHRER. As I stated before, I don't call it an urging. I just call that a method of communicating with the type of membership that generally takes no notice of what is in a meeting announcement.

Senator IVES. It occurs to me, Mr. Counsel, that that notice can be taken either way.

Mr. KENNEDY. Under the provisions of the contract, it provided what we have described as a soft contract, and provided for a 48-hour week, did it not?

Mr. LEHRER. Yes.

Mr. KENNEDY. And 6 holidays for the year?

Mr. LEHRER. I recall that being correct.

Mr. KENNEDY. And there wouldn't be any vacation until after the individual had been employed for a year, and then there would be 1 week's vacation?

Mr. LEHRER. If that is what the contract has. I believe you are stating it correctly.

Mr. KENNEDY. And there were also no minimum wage provisions?

Mr. LEHRER. No, sir.

Mr. KENNEDY. And there were also no welfare fund provisions?

Mr. LEHRER. That is correct, sir.

Mr. KENNEDY. Was there any advantage for the employee? I understand they are 1-man shops or a lot of them are 1-man shops, but was there any advantage for the employee in this contract?

Mr. LEHRER. Well, the only benefit the employee got from the contract was a \$2 a week raise the first year, a \$2 a week raise the second year, and a \$2 a week raise the third year.

Mr. KENNEDY. Beyond that there was really no advantage?

Mr. LEHRER. None, sir.

Mr. KENNEDY. And those are the raises that would ordinarily be granted by the association anyway?

Mr. LEHRER. I couldn't possibly answer whether or not an employer would give an employee a raise.

Mr. KENNEDY. Ordinarily, from your experience, wouldn't that be the raise that would be normal?

Mr. LEHRER. The labor problem with respect to the auto-glass shops in New York City is such that very few employees stay too long. They go into business for themselves.

Mr. KENNEDY. So that wouldn't be any advantage. So the association members were paying \$190 over a 3-year period almost as a tribute or almost as an extortion brought about by local 227 and by the Equitable Research of Johnny Dio; is that correct?

Mr. LEHRER. If you are asking me to term it "extortion," I think you are putting it a little unfairly to me.

Mr. KENNEDY. How would you describe this payment of \$190 over a 3-year period when there was no advantage at all for the employees, and that at least 50 percent of those who signed up were 1-man shops?

Mr. LEHRER. In the most favorable term that I can put it for my client, I would say it was the penalty for lack of proper legislation to avoid this very situation.

Mr. KENNEDY. It is a penalty for your client?

Mr. LEHRER. I say putting it in the most favorable light to the client, I say that this was a penalty for the lack of proper legislation to protect and avoid a situation such as this.

The CHAIRMAN. Do you feel that legislation is needed?

Mr. LEHRER. I do, sir.

The CHAIRMAN. Have you any recommendations you would care to submit?

Mr. LEHRER. Senator Ives has already asked me that.

The CHAIRMAN. That pertains to the New York law?

Mr. LEHRER. That is correct.

The CHAIRMAN. I am speaking of the Federal statutes.

Mr. LEHRER. Only insofar—I don't know how many of my clients would be engaged in interstate commerce that would come under Federal law.

The CHAIRMAN. You have given no thought to that?

Mr. LEHRER. Well, the same thought would go so far as a State act is concerned as to a Federal act. I feel that the power of picketing has been abused insofar as the small-business man is concerned. I feel rather than put the burden of proof on a small-business employer as to why the picketing should be stopped, I believe a union should make application to a proper administrative tribunal for a permit to do picketing on notice to the employer, so that they can argue it out before picketing starts and before irreparable damage occurs, whether it is on a State, National, or Federal level being immaterial at the present moment.

The CHAIRMAN. Thank you.

Mr. KENNEDY. What it got down to in fact was the \$190 was being paid over the 3-year period to prevent other unions from coming in and causing a jurisdictional problem?

Mr. LEHRER. That is not so, Mr. Kennedy.

Mr. KENNEDY. What was it?

Mr. LEHRER. Of the \$190, \$144 was what we discussed before, the actual payment of \$4 a month dues to local 227.

Mr. KENNEDY. There was no advantage in that.

Mr. LEHRER. The jurisdictional question you are referring to required the payment of \$25 to Equitable Research.

Mr. KENNEDY. We discussed the fact that out of the \$144, there was no advantage to anyone for that. So that had to be paid for the same reason that the payment was made to Equitable Research.

Mr. LEHRER. \$144 was not paid to Equitable Research.

Mr. KENNEDY. \$144 was paid to 227, is that correct?

Mr. LEHRER. That is correct.

Mr. KENNEDY. There was no advantage to anyone, to any employee, for the payment to 227, is that correct?

Mr. LEHRER. There was no advantage for any employer to pay to 227.

Mr. KENNEDY. There was also no advantage to any employee because of the terms of the contract. There was no advantage for anyone?

Mr. LEHRER. They got a \$6 raise over the 3-year period. Whether you want to term it an advantage or not, I don't know.

Mr. KENNEDY. You have already said that the employees wouldn't stay there that long, Mr. Lehrer, and it would probably be that they would give that kind of a raise anyway. So it really wasn't any advantage for the employee, and certainly no advantage for the employer.

The money was being paid to 227 and to Equitable Research to prevent other unions from coming in and causing difficulty.

Mr. LEHRER. I repeat, of that money only \$25 can be applied to the jurisdictional question. If we had wanted to sign the contract with local 227, there wouldn't be the need for that additional \$25 or \$40 payment for jurisdiction.

Mr. KENNEDY. Would they have signed the contract with local 227 if there couldn't have been this guaranty from Equitable Research that there would be no jurisdictional picketing?

Mr. LEHRER. Mr. Kennedy, I cannot answer a hypothetical question.

Mr. KENNEDY. It is not hypothetical, because you had a meeting on it, Mr. Lehrer, in which you discussed this, and were about to sign with Harry Reiss, and the membership raised the question as to whether he could guarantee there would be no jurisdictional problem.

Mr. LEHRER. You will recall I told you that the negotiations had broken down with 227 on the jurisdictional question. The jurisdictional question having been resolved, we then signed with 227. I do not know what would have happened had the jurisdictional question not been resolved.

Mr. KENNEDY. But at least the negotiations broke down until that guaranty was given by Johnny Dioguardi?

Mr. LEHRER. That is correct.

The CHAIRMAN. I have just one question. Counsel was interrogating you about benefits, if any, under this contract for the employee. You pointed out that all you could say is that they got a \$6-a-week raise over a 3-year period.

Mr. LEHRER. And it might conceivably bring some vacation benefits that he might not have had. I don't know, truthfully, though.

The CHAIRMAN. We can agree on this, can we not, that any benefits to the employee were quite negligible?

Mr. LEHRER. I will agree to that, Senator.

Mr. KENNEDY. Were there efforts made by the union during the period of 1956, to lower the workweek from a 48-hour workweek to a 40-hour workweek?

Mr. LEHRER. In 1956?

Mr. KENNEDY. Yes.

Mr. LEHRER. I believe, and I am very vague in recollection now, that we had received a communication from the union that they wanted to renegotiate the contract with respect to the workweek. I am a little vague on this. I believe that was the communication we had. A telephone call was made to Equitable Research and that was the last we ever heard of that.

Mr. KENNEDY. Did you talk to Johnny Dioguardi on that?

Mr. LEHRER. Whether I spoke to Mr. Braunstein or Mr. Dioguardi, I do not remember.

Mr. KENNEDY. But on the initial request to enter into negotiations to lower the workweek from 48 hours to 40 hours, you then made a call to Equitable Research and there was no more heard from Harry Reiss or anyone from 227 on that?

Mr. LEHRER. That is right. The contract was a 3-year contract and did not call for any renegotiations of any type during the term of the contract.

The CHAIRMAN. I hand you a photostatic copy of what apparently is a carbon copy of a letter, together with some attachments. I ask you to examine them and state if you identify them.

(Document handed to witness.)

The CHAIRMAN. Would you state what it is, please?

Mr. LEHRER. This letter was mailed by me on behalf of the client after a meeting of the executive board. The meeting had been called and one of the items of business was a letter we had received from the union to the effect that they wanted to renegotiate the contract. Do you have that letter?

The CHAIRMAN. I believe I have it. I present to you another photostatic copy of an original letter to you, or to your association that you represent, and I ask you to examine it and state if you identify it.

(Document handed to witness.)

The CHAIRMAN. If you will identify that, state what it is.

Mr. LEHRER. This is a letter dated May 11, 1956, from the union to the association.

Do you want me to read this letter?

The CHAIRMAN. That letter may be made exhibit 26, the one you are now testifying about.

Go ahead.

Mr. LEHRER. This letter, in effect—well, it is a letter addressed to the association.

Please be advised that pursuant to the instructions of our members who are employees of your members, we desire to enter into further negotiations with you with particular respect to the question of reducing the hours of work to 40 hours per week. We should appreciate your arranging for such negotiations with us for a date prior to June 1, 1956.

The CHAIRMAN. By whom is that letter signed?

Mr. LEHRER. The letter has been signed Local 227, by Arthur Santa Maria, secretary-treasurer.

The CHAIRMAN. That is made exhibit 26.

(The document referred to was marked "Exhibit 26," for reference and will be found in the appendix on p. 3991.)

The CHAIRMAN. Now your reply thereto that you testified about a moment ago.

Mr. LEHRER. The reply to that was dated May 22, 1956.

Local 227, UAW.

Gentlemen, in reply to your letter of May 11, please be advised that I have been instructed by my client, the Auto Dealers Association, to inform you that they will not consider entering into any negotiations at the present time with regard to reducing the workweek to 40 hours.

That is signed by myself.

The CHAIRMAN. That letter may be made exhibit 27.

(The document referred to was marked "Exhibit 27," for reference and will be found in the appendix on p. 3992.)

The CHAIRMAN. In the meantime, what had transpired after you received the letter that has been made exhibit No. 26?

Mr. LEHRER. A meeting—

The CHAIRMAN. That is, in between the time that you replied.

Mr. LEHRER. A meeting was held by the executive board of my client, at which time that May 11 letter from the union to the client was read, and they decided that they were not going to renegotiate,

and instructed me to put in on record that we will not renegotiate. Simultaneously with my mailing of the letter to go on record that we were not going to renegotiate, I placed a call on behalf of the client to either Mr. Braunstein or Mr. Dioguardi informing him of the situation, and that is the last we heard of it.

The CHAIRMAN. After you got your message to Dioguardi, you never heard any more of it?

Mr. LEHRER. No; we never did.

The CHAIRMAN. That was part of the protection you were paying for?

Mr. LEHRER. The contract called for the labor-relations consultant between the union and the association. I read it as such and I used that provision in that Equitable contract as such.

The CHAIRMAN. You used it as a protection?

Mr. LEHRER. That is correct, sir.

The CHAIRMAN. Senator Goldwater?

Senator GOLDWATER. Mr. Lehrer, before the association signed the agreement with 227, what other locals had been trying to organize this particular industry?

Mr. LEHRER. The other locals were local No. 5, local 239, local 259, and 1 or 2 others.

Senator GOLDWATER. 210, 211?

Mr. LEHRER. I couldn't say definitely yes or no, Senator.

Senator GOLDWATER. Why did the negotiations with those other locals fail?

Mr. LEHRER. There were no negotiations with the other locals. After 227 started picketing some of the shops, some shops they would picket, and some shops their organizer would just stop in and talk to the people involved and leave with no picketing. Thereafter, some of these other locals that we have mentioned here would come around with the same story. They actually never did any picketing that I know of personally, or never contacted anybody officially in the association to enter into any negotiations.

Senator GOLDWATER. When you went to this research organization of Mr. Dio's, would it not have been possible to have signed up with one of these other locals and avoided the necessity of doing business with that firm?

Mr. LEHRER. We would have that fear, Senator, that if we signed with local X that locals A, B, C, and D, would come along and say "We were here first. Why did you sign up with local X when we were here first?"

Senator GOLDWATER. Well, they were not actually there first; were they?

Mr. LEHRER. That was the very crux of the problem. They were not actually there first, and that was why local 227 was the local with whom we contracted.

Senator GOLDWATER. But these other locals did attempt, and they made some efforts to organize the industry?

Mr. LEHRER. Yes; they did.

Senator GOLDWATER. And do you feel that if you had signed with any one of those in order to keep from doing business with Mr. Dio, that you would still be in trouble? Is that it?

Mr. LEHRER. I felt that way at that time, yes, Senator.

The CHAIRMAN. Is there anything further?

Senator GOLDWATER. Just one moment, Mr. Chairman.

What would the central council have said about an outside organization like Mr. Dio's research association moving into the field of a union if you had already signed with, say, local 5, which just comes to my sight?

Mr. LEHRER. Not only don't I know much about the central council, I couldn't possibly answer what they would say, nor do I know any remedy that was afforded to us through that.

Senator GOLDWATER. Are there any other examples that come to your mind that are similar to this, where the fear of Mr. Dio's organization prevented an association from signing with some other local?

Mr. LEHRER. I know of no other examples, Senator.

Senator GOLDWATER. This is the only one.

If you had to do it over again, would you do it the way you did it or would you go back to one of the other locals?

Mr. LEHRER. It wasn't a question of going back to the other locals; 227 had most of the shops in the sense that they had been picketing most of them. One of the feelings that I didn't mention before that we had at the time was that if we were going to sign with a union, we would prefer to have one industrywide. We were looking ahead 3 years hence, that if we had to put up a fight, we would only be fighting 1 union and not 6 or 7. If I had it to do all over again, I don't know.

Senator GOLDWATER. Would it not have been just as easy to have fought, say, 259?

Mr. LEHRER. We wanted to fight. We wanted to fight very badly. We held a special meeting and everybody got up and made pretty speeches about fighting. But fighting lasted 3 or 4 days when they were picketed, and that ended the fighting.

Senator GOLDWATER. That is all I have, Mr. Chairman.

The CHAIRMAN. Are there any further questions?

If not, thank you very much, Mr. Lehrer.

Mr. Louis Boyar.

(Members present at this point: Senators McClellan, Ives, Goldwater, Mundt, and Curtis.)

The CHAIRMAN. Will you be sworn, please?

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BOYAR. I do.

(At this point, Senator Curtis withdrew from the hearing room.)

TESTIMONY OF LOUIS BOYAR

The CHAIRMAN. Mr. Boyar, will you state your name, your place of residence, and your business or occupation, please, sir?

Mr. BOYAR. My name is Louis Boyar. I live at 5514 Kings Highway, Brooklyn.

The CHAIRMAN. Would you pull the microphone closer to you, please?

Mr. BOYAR. I have an auto glass shop on the East New York section, in Brooklyn.

The CHAIRMAN. How long have you been in that business?

Mr. BOYAR. About 17 years.

The CHAIRMAN. Seventeen years?

Mr. BOYAR. Yes.

The CHAIRMAN. Have you talked to members of the staff of the committee and know generally the line of interrogation to expect?

Mr. BOYAR. About what?

The CHAIRMAN. Have you talked to members of the staff about your testimony?

Mr. BOYAR. Yes, I did.

The CHAIRMAN. Have you elected to waive counsel? You do not care to have counsel present to advise you while you testify?

Mr. BOYAR. I don't really know. I guess I don't need a counsel.

The CHAIRMAN. You guess you do not need counsel?

Mr. BOYAR. Yes.

The CHAIRMAN. If at any time you think you do, advise the Chair.

Mr. Counsel, proceed.

Mr. KENNEDY. I just have a few questions of Mr. Boyar, Mr. Chairman.

You run and own a glass shop in New York City; is that right?

Mr. BOYAR. Correct.

Mr. KENNEDY. During 1955, did pickets come to your shop?

Mr. BOYAR. They did.

The CHAIRMAN. Speak up, please.

Mr. BOYAR. They did.

(At this point, Senator Goldwater withdrew from the hearing room.)

Mr. KENNEDY. What was the first thing you heard from the pickets? Who did you first talk to?

Mr. BOYAR. I didn't speak to anybody at the time. They just came in and they picketed me.

Mr. KENNEDY. They picketed you?

Mr. BOYAR. Yes.

Mr. KENNEDY. Had they discussed the matter with your employees prior to that time?

Mr. BOYAR. No; they didn't.

Mr. KENNEDY. What did you do? What steps did you take?

Mr. BOYAR. There was nothing I could do. I asked them why they were picketing.

Mr. KENNEDY. Who did you ask?

Mr. BOYAR. I think it was Reiss, at the time.

Mr. KENNEDY. Harry Reiss?

Mr. BOYAR. Yes.

Mr. KENNEDY. What did he say?

Mr. BOYAR. He said, "We want to unionize your shop."

Mr. KENNEDY. What did you say?

Mr. BOYAR. I said, "I guess you will have to ask the men whether they want to unionize."

Senator MUNDT. Do I understand that before they came up to you at all you looked out your window and saw pickets?

Mr. BOYAR. That is right.

Senator MUNDT. And no one discussed membership at all, with either you or your employees?

Mr. BOYAR. That is right.

Senator MUNDT. Did the pickets carry signs?

Mr. BOYAR. They did.

Senator MUNDT. Before they had inquired whether you would join the union?

Mr. BOYAR. That is right.

Mr. KENNEDY. You suggested to Harry Reiss that he see the employees?

Mr. BOYAR. That is right; after hours.

Mr. KENNEDY. Did he talk to the employees?

Mr. BOYAR. He did.

Mr. KENNEDY. What did they decide?

Mr. BOYAR. Well, they were undecided. The first day they didn't know what to do.

Mr. KENNEDY. But they didn't decide to join the union?

Mr. BOYAR. That is right.

Mr. KENNEDY. They did not decide?

Mr. BOYAR. No; they didn't.

Mr. KENNEDY. The following day, were there pickets outside?

Mr. BOYAR. Yes; there were.

Mr. KENNEDY. Was this hampering your business?

Mr. BOYAR. It certainly was.

Mr. KENNEDY. Did they continue all that day?

Mr. BOYAR. They did.

Mr. KENNEDY. And did the members of your plant, your employees, decide to join the union then?

Mr. BOYAR. No; they didn't.

Mr. KENNEDY. And did the picketing continue the following day?

Mr. BOYAR. They did.

Mr. KENNEDY. During this period of time, did you have any conversation with anyone regarding what steps could be taken?

Mr. BOYAR. Yes.

Mr. KENNEDY. Would you relate that to the committee?

Mr. BOYAR. Someone stopped off and dropped a card off and asked me to get ahold of someone, or that they will get in touch with me, in reference to the pickets, to get the pickets off the—

Mr. KENNEDY. Someone stopped off and dropped a card?

Mr. BOYAR. Off at my place.

Mr. KENNEDY. Who is someone?

Mr. BOYAR. I don't know. I remember the first name only.

Mr. KENNEDY. What was the first name?

Mr. BOYAR. Milton or Milty.

Mr. KENNEDY. Milty came by and dropped the card off?

Mr. BOYAR. That is right, and asked if I would be interested in taking the pickets off. I said, "I certainly would." I said, "What am I supposed to do?" He said, "I will have somebody call you."

I got a call that afternoon, and they told us to meet them somewhere on the East Side. I spoke to my counselor from the association, and he was against meeting this fellow to talk about the meeting. He came down to the East Side—

(At this point, Senator Ives withdrew from the hearing room.)

Mr. KENNEDY. You decided to go anyway, with your counsel?

Mr. BOYAR. I finally had my counsel come along.

Mr. KENNEDY. That is Mr. Lehrer?

Mr. BOYAR. That is right.

Mr. KENNEDY. Did you know who you were going to meet?

Mr. BOYAR. No; I didn't.

Mr. KENNEDY. You just had a card from somebody you didn't know who had a card and who said if you want to get the pickets off, come down and meet this fellow you don't know, on the east side?

Mr. BOYAR. That is right. I was desperate at the time, because it was the third day at my shop, and it really hurt my business. I asked this fellow what he could do, when we did meet him. I suggested raising \$5,000 if the members of the association would be willing to go along with it, if it could be straightened out. He said—

Mr. KENNEDY. You said, "If you could get the membership to go along, that you could raise \$5,000, if he could get the pickets off"?

Mr. BOYAR. If the members would go along. He said he would let me know.

Mr. KENNEDY. What else did he say? Did he say he would have to see or talk to anyone?

Mr. BOYAR. Yes; he said he had to speak to "J. D."

Mr. KENNEDY. Did he give his first name?

Mr. BOYAR. No; the second name.

Mr. KENNEDY. Did he give the second name?

Mr. BOYAR. Yes; the second name was Stark.

Mr. KENNEDY. You say you talked to this man who identified himself, the one you were talking to, at this restaurant on the east side. He identified himself as Stark?

Mr. BOYAR. That is right.

Mr. KENNEDY. You talked about the fact that you could perhaps get him \$5,000 to get the pickets taken off; is that right?

Mr. BOYAR. That is right.

Mr. KENNEDY. Did he say to you at that time what he would have to do or who he would have to see?

Mr. BOYAR. Yes.

Mr. KENNEDY. What did he say?

Mr. BOYAR. He said he would have to meet J. D.

Mr. KENNEDY. Did he give you the first name?

Mr. BOYAR. I think he said Johnny D.

Mr. KENNEDY. Did you know who Johnny D. was at that time?

Mr. BOYAR. No; I didn't. At the time, I didn't know.

Mr. KENNEDY. What happened then?

Mr. BOYAR. He said he would call us the following day and let us know as to what they spoke about. I got a call the next morning and he said, "There is nothing you can do. You better join the union."

The CHAIRMAN. Will you pull the microphone up to you a little closer or speak a little louder? Your voice is not coming over very well.

Mr. KENNEDY. So arrangements then were made to join the union; is that right, by the association?

Mr. BOYAR. Yes; by the association.

Mr. KENNEDY. At that time, when it broke down as to whether the union could guarantee against other unions coming in and picketing, the association retained the services of Equitable Research?

Mr. BOYAR. That I don't know anything about.

Mr. KENNEDY. You were not involved?

Mr. BOYAR. No; I wasn't.

Mr. KENNEDY. This individual that you met at the restaurant on the East Side called and said Johnny D. couldn't do anything about it then?

Mr. BOYAR. That is right.

Mr. KENNEDY. That is all, Mr. Chairman.

The CHAIRMAN. Are there any other questions?

If not, thank you, sir.

May I ask you, first, how many employees do you have?

Mr. BOYAR. Two employees.

The CHAIRMAN. You have two?

Mr. BOYAR. Yes.

The CHAIRMAN. Is that an average shop, your size?

Mr. BOYAR. Yes.

The CHAIRMAN. That is about an average size?

Mr. BOYAR. Yes.

The CHAIRMAN. Thank you. Call the next witness.

Mr. KENNEDY. Mr. Chairman, I would like to point out some background on this, that Johnny Dioguardi was the regional director of the UAW-AFL in New York City. As such, he sponsored Consentino and Santa Maria when they received their charter. Then he allegedly left the labor union and set up this Equitable Research.

When 227 went in and attempted to picket these glass shops, Johnny Dio had this close relationship between himself, David Consentino, Arthur Santa Maria, and Reiss.

The CHAIRMAN. He placed them in business, in fact.

(At this point, Senator Curtis withdrew from the hearing room.)

Mr. KENNEDY. Yes. We see the situation where, after the negotiations started, Harry Reiss told the representatives of the glass shops that he could not guarantee against jurisdictional picketing, but Harry Reiss suggested Johnny Dio as somebody who could guarantee that. They went and made this arrangement with Johnny Dio and Equitable Research and paid him what would amount to more than \$2,500 for the 3-year period, but with the understanding that as Harry Reiss and 227 were able to get more of the workers into the union, that Johnny Dio, speaking for Equitable Research, would receive a greater amount of money.

So there was this close relationship during this period of time between Equitable Research and some of these unions. We are going to go into this matter to some extent a little further at a later time.

The CHAIRMAN. All right. Call the next witness.

Mr. KENNEDY. Now we have another situation, another employer who was approached by one of these unions. We are now going to try to develop what steps he took in order to keep the union away. For that reason, we are calling Mr. Louis Pope.

(Present at this point in the proceedings: Senators McClellan and Mundt.)

The CHAIRMAN. Mr. Pope, come forward, please.

Will you be sworn, please?

Do you solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. POPE. I do, sir.

**TESTIMONY OF LOUIS POPE, ACCOMPANIED BY COUNSEL,
NORMAN TURK**

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. POPE. My name is Louis Pope, P-o-p-e, and I reside at 1292 Westchester Avenue, Bronx, New York City. I am the coowner of a collision automotive repair shop, and at present the president of the Auto Body Repairmen's Association of New York City.

The CHAIRMAN. You have counsel present to represent you?

Mr. POPE. I do.

The CHAIRMAN. Counsel, will you identify yourself for the record, please?

Mr. TURK. I am Norman Turk, of 50 Court Street, Brooklyn, N. Y., associated with the firm of Dubow, Turk & Roberts.

The CHAIRMAN. Thank you.

You may proceed, Counsel.

Mr. KENNEDY. You are a member of an auto body repair shop association, are you, Mr. Pope?

Mr. POPE. Yes, sir; I am, Mr. Kennedy.

Mr. KENNEDY. You are one of the founders of it, are you?

Mr. POPE. Yes, sir; I am.

Mr. KENNEDY. And you are also an officer of it?

Mr. POPE. Yes, sir.

Mr. KENNEDY. Could you tell the committee the circumstances under which it was founded?

Mr. POPE. Yes, sir.

Mr. KENNEDY. First, give us how many members there are, and what area.

Mr. POPE. We started out in 1955 with a membership of 38, and to date I think we have approximately 350 members.

The CHAIRMAN. How many?

Mr. POPE. 350. These shops are self-manned, mainly, occasionally with a partner, and in, I should say unusual cases, they have 2 to 4 men to assist. The average shop is a two-man shop.

The CHAIRMAN. Frequently they are partners?

Mr. POPE. Yes, sir.

Since the year of 1950, the insurance companies, from which we derive approximately 80 percent of our work, have fixed a price between a dollar figure of \$4 to \$4.50 an hour. That is labor. During these years living costs have soared, and with that the increase of labor costs have gone up. We have abided by that to a point where today we pay a man an average of \$3 to \$3.50 an hour, and give him a week's vacation yearly. He has sick benefits which are based on his relationship with the shop owner, unlimited. In many, many cases, if a man is sick 2 or 3 weeks, this man's pay is brought home to his house and his wife is taken care of as human beings should be.

In short, our industry has been pressed, pressed for cash, to a point where shops have been going out of business steadily; not because of the fact that they didn't have enough work, but because the profit in the work was not there.

So we banded together in 1956. We obtained a charter from the State of New York as an association as a whole. We had been working a year before that, trying to group the members before that.

In 1956, I think sometime around June, rumors had it through the Bronx area that there was a drive going on by several locals, a good many locals, I should say, to unionize this industry, regardless of—

Senator MUNDT. Up until this time, Mr. Pope, had all your employees been nonunion men?

Mr. POPE. Yes, sir.

Senator MUNDT. Completely nonunion?

Mr. POPE. This industry hasn't been able to afford unions.

In any case, in June, rumors had it that the industry was being organized, and the newspapers were blaring about the type of unions that were doing the organizing. We had had experience throughout related industries, and calls kept coming in. Men were frantic. They wanted an emergency meeting, and it was held. At this emergency meeting, they wanted to know what could be done about a form of union that could very well mean the end of our industry in the city of New York because we could not raise our form of income. We cannot raise it, for the simple reason that it has been set, and it has been that way for 12 years. It is a very, very competitive field and we cannot go anywhere for the additional dollar.

At that particular meeting, it was decided that as far as we were concerned, the union was out, for the time being. We couldn't afford it. It was too rich for our blood.

What to do about it, we didn't know. We didn't have any professional organizers or anybody to give us the assistance we needed.

So we formed a committee, and the committee went out into the field to ask people that were connected with labor what could be done in a case of this kind, not unionwise, but how to stay out of the union.

Senator MUNDT. Let me ask you what created all of the excitement? Was it just a few stories in the newspapers or had there been actual attempts to organize you?

Mr. POPE. Some shops had been accosted. They would not go into the shop to speak to the men. They would speak to the owners of the shops.

Senator MUNDT. Give me an illustration of what you have in mind.

Mr. POPE. I can't speak of anything concrete myself, but I can tell you what was reported to me.

Senator MUNDT. Give us an illustration of the kind of situation some of your members reported.

Mr. POPE. It is very simple. If I am paying a man \$3 an hour and I am receiving \$4 back, and with this dollar pay my overhead, such as rents, electricity, taxes, et cetera, I cannot go any further.

Senator MUNDT. I understand the problem, but you said that some of your members had been accosted.

(The witness conferred with his counsel.)

Senator MUNDT. Let me get the picture to you, Mr. Pope. Have you got it now?

Mr. POPE. Yes.

Senator MUNDT. All right, good.

Mr. POPE. I have been called or had been called by several shops that had been spoken to by organizers. Not one, but several. They would have 3 cards from 3 different locals, confusing as all could be. Each and every one had a different proposition, not to the man but to the owner.

In short, it appeared to me and it appeared to everybody else on our executive committee, that this was something that we just did not want and could not afford.

I keep repeating that because I have checks to show that on dues of \$15 for 3 months, \$5 per month, checks have come back marked insufficient funds. So the industry is in bad shape. They decided to fight this, but how?

The second meeting gave us the answer, we thought. Men came back that had been assigned to this committee with the answer that we could form our own local, and such we did, if you want to call a couple of printed cards and an investment of approximately \$70 forming a local.

This was done in order to leave cards at the shops so that when a proposition was offered that this shop owner could say, "I am already negotiating with 101-A, or 101-B, or 101-C, whatever it may be."

As fate would have it, shortly after we got into all of this, the Federal Senate committee, this committee here, came into the site of New York and did its work, did such a good job that we never had a chance to fully find out whether our efforts at stopping that union or unions from taking over this industry were successful or not. That is the story.

Organizing of all shops stopped immediately. It gave us a breather and it gave us a little time to think. That is where we stand today.

The CHAIRMAN. Is this one of your notices that you put out, one of the signs that you use? Is that one of the signs that you use for this independent union?

Mr. POPE. I have never used that, but they had those printed. They were never put out. They never had a chance to hit the street.

The CHAIRMAN. I beg your pardon?

Mr. POPE. They never had a chance to have them put in the shop, to my knowledge.

The CHAIRMAN. What about these cards that you had printed. Was this one of them?

(A document was handed to the witness.)

The CHAIRMAN. What does it say?

Mr. POPE. That says, "Independent Auto Workers Union Local 101-A," and it gives an address of 363 East 149th Street.

The CHAIRMAN. Whose address is that?

Mr. POPE. That was the address of an insurance agent with whom we were pretty friendly. It was a mailing address.

The CHAIRMAN. Then you had some little stickers put out, did you, "Independent Auto Workers"?

Mr. POPE. Senator, those stickers were made by the men who were designated to do that job. I don't have any personal knowledge of those. I did see them previous to this. They were shown to me. They were ordered by the association's representative.

The CHAIRMAN. The union-shop sign will be made exhibit 28 and the card will be made exhibit 29.

(The document referred to was marked "Exhibit No. 28" for reference and will be found in the appendix on p. 3993.)

Mr. KENNEDY. We have some other cards here. The telephone number is Mott Haven 52433. Is there such a number?

Mr. POPE. I am not familiar with that number.

Is it on the same card I just looked at?

The CHAIRMAN. I think it is.

Mr. POPE. It is the same card, then it is a telephone number that is part of the business belonging to this insurance agent.

Mr. KENNEDY. You have here the Independent Auto Workers Union Local 101-A. That is the local that you formed, is it?

Mr. POPE. Mr. Kennedy, that local never took effect.

Mr. KENNEDY. No; but that is the one you printed the cards for.

Mr. POPE. That is a fictitious piece of paperwork that you see there, that we used in order to forestall the overtaking of an industry that could not afford—

Mr. KENNEDY. I understand. It says, "Alfred Naft, Business Representative."

Mr. POPE. I don't have any knowledge of Alfred Naft, sir.

Mr. KENNEDY. Did he exist?

Mr. POPE. Possibly. I don't know him.

Mr. KENNEDY. He was the business representative of the Independent Auto Workers Union, Local 101-A.

Mr. POPE. I have no personal knowledge of it.

Mr. KENNEDY. Jack Sicari is here.

Mr. POPE. I do know him.

Mr. KENNEDY. Who is he?

Mr. POPE. Jack Sicari was a fellow who was a carpenter by trade who was paid by the week to go out and distribute those cards amongst the body repairmen.

Mr. KENNEDY. To make it appear that it was legitimate?

Mr. POPE. I don't think—

Mr. KENNEDY. I am just trying to get the picture.

Mr. POPE. The picture is that we would leave those cards and if a guy came in, he would say, "I have been speaking with this guy," and that would forestall any further danger.

Mr. KENNEDY. You have as the president of the union, Charles DiSilvio.

Mr. POPE. He was formerly the vice president of the association and he was the only nonworking committeeman who was assigned that job. He resigned as vice president and took over the presidency of the so-called union; yes, sir.

Mr. KENNEDY. Was that a promotion?

Mr. POPE. Well, I think to date they had about \$90 in that fund for printing and such.

Mr. KENNEDY. Could we have these made exhibits?

This one has James Dodge. Do you know who he is?

Mr. POPE. James Dodge is fictitious.

The CHAIRMAN. After exhibit 29-A we will have exhibits 29-B, C, and D.

Mr. KENNEDY. James Dodge on exhibit 29 is fictitious?

Mr. POPE. Yes. I know he is fictitious.

The CHAIRMAN. Those cards may be added as A, B, and C.

(The documents referred to were marked "Exhibits Nos. 29-A, 29-B, 29-C, and 29-D" for reference and will be found in the appendix on p. 3994.)

The CHAIRMAN. Did you form a contract?

Mr. POPE. I didn't have anything to do with the preparing of the printing. I recommended that they go down to a chap who made a

lot of that printing, and he made a package deal for them. That contract that you show may be part of his normal procedure. It may be a duplicate of some other contract. I don't know.

The CHAIRMAN. It says Independent Auto Workers Union, Local 101-A.

Mr. POPE. I believe it is a standard form with the heading of 101 on there.

The CHAIRMAN. I beg your pardon?

Mr. POPE. I believe that that contract that you have there is a standard form contract used by the average printer who does printing for these.

The CHAIRMAN. It may be, but in whatever form it is you had it printed for your union?

Mr. POPE. That is right; yes, sir.

The CHAIRMAN. This you do identify?

Mr. POPE. I had no personal knowledge of that myself; I didn't take that out and have it done.

(Documents were handed to the witness.)

The CHAIRMAN. Did you ever see the contract?

Mr. POPE. One time. Mr. Bob Dunne showed me this contract.

The CHAIRMAN. I will let you look at that and see if that looks like the one you saw.

(The witness conferred with his counsel.)

Mr. POPE. Senator, the only time I saw this contract was when Mr. Dunne showed me this.

The CHAIRMAN. That is all right. I just wondered, for purposes of the record, if you had seen that before and if you identify it.

Mr. POPE. Yes, sir.

The CHAIRMAN. That may be made exhibit 30 for reference. It need not be printed in the record.

(The document referred to was marked "Exhibit No. 30" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. After you did this, after you took these steps, you found that no one came around or you did not have as much trouble?

Mr. POPE. That is right, sir.

Mr. KENNEDY. So it was successful?

Mr. POPE. I like to believe that the newspapers and the publicity that this committee got for the work that it was doing was responsible for that, because I don't believe that these cards would have stopped.

It was an effort we made and a weak effort, but it was actually the strength of the truth that did the job.

The CHAIRMAN. It was a successful effort, though weak?

Mr. POPE. With a little bit of help from the Senate committee; yes, sir.

Senator MUNDT. How long had this operation been functioning before our committee got into business?

Mr. POPE. I don't believe it was in effect more than about 2 weeks. I don't think the cards were dry yet.

Senator MUNDT. It was an ingenious idea, whoever had it. One paper union fighting another and you won.

The CHAIRMAN. Are there any other questions?

If there are no other questions, thank you very much.

Senator MUNDT. You had better get that idea copyrighted.

The CHAIRMAN. Thank you very much, Mr. Pope.

The committee will stand in recess until 2 o'clock.

(Whereupon, at 12 noon, the hearing in the above-entitled matter was recessed to reconvene at 2 p. m., of the same day.)

(Members of the select committee present at the taking of the recess: Senators McClellan and Mundt.)

AFTERNOON SESSION

The CHAIRMAN. The committee will be in order.

(Members of the select committee present: Senators McClellan and Ives.)

The CHAIRMAN. Before calling the next witness, the chief counsel has a brief background statement to make, so as to give us some guidance as we proceed for the rest of the afternoon.

MR. KENNEDY. Mr. Chairman, the second witness will be Mr. Max Chester. We had a tape recording of a conversation that he had with an employer when we started our hearing last week.

The first witness is an employer with whom Max Chester has had some negotiations.

I would like to give a little bit of background on Max Chester. He came into the labor union movement, or at least became of interest to us when he became a member and officer of Local 496 of the International Chemical Workers Union. At that time, that time, the International Chemical Workers Union Local 496 was headed by Reiss and Consentino who later became officers of Local 227 of the UAW.

At that time, Reiss and Consentino became involved in an extortion, so the International Chemical Workers lifted their charter. Reiss, Consentino, and Max Chester then all went over to local 227 of the UAW, one of the locals set up by Johnny Dio in New York City. There Max Chester once again was accused of taking a bribe. This upset Mr. Reiss and Mr. Consentino and Mr. Santa Maria, and they kicked Max Chester out of the local.

So Max Chester then went over to local 405, and he became business manager, vice president, and secretary-treasurer of local 405 of the retail clerks.

Local 405, Mr. Chairman, we will show later on, was controlled by Mr. Tony "Ducks" Corallo, and so Max Chester went from a Dio-controlled local into a Tony Ducks-controlled local.

As such, in the retail clerks, he was indicted for his activities in the retail clerks on some 9 or 10 charges of taking money, extortion. He pleaded guilty to the eighth count. The other counts involved taking \$1,000 from Louis Artists Materials Co., Manhattan; \$700 from Earnest Slongo Distribution Co., Inc.; \$2,250 from New York Quilting Novelty Co.; \$2,000 from Gustave, Inc.; \$1,250 from Flerigrip Co.; \$250 from Shoreham Manufacturing Co., Inc.; \$250 from Wadsworth 5¢ and 10¢ Stores, Inc.; \$400 from Preco Photo Products, Inc.; \$250 from Ace Looseleaf Co., Inc.; \$335 from Lansley Fastener, Inc.; and \$300 from Arnold Originals.

He pleaded guilty to one of those charges, and he was convicted. But prior to being sentenced, Max Chester was indicted again in connection with receiving a bribe, with Sam Goldstein and Johnny Dioguardi. He was just convicted on that count last week, and he is yet to be sentenced.

As I say, he will be the second witness, but I thought it was important to have a little bit of his background prior to our first witness, an employer coming and testifying as to his connection and his associations with Mr. Chester.

The CHAIRMAN. Call the witness.

Mr. KENNEDY. The employer is Mr. Paul Claude, who is president of Paragon Brass Products, Inc. He is the first witness.

The CHAIRMAN. Mr. Claude, will you come around, please?

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. CLAUDE. I do.

TESTIMONY OF PAUL CLAUDE, ACCOMPANIED BY HIS COUNSEL, RUBIN R. KAUFFMAN

The CHAIRMAN. Mr. Claude, state your name, your place of residence, and your business or occupation, please, sir.

Mr. CLAUDE. My name is Paul Claude. I live in Flushing, N. Y., and I have a machine shop in Brooklyn, Greenpoint section.

The CHAIRMAN. How long have you been in that business, Mr. Claude?

Mr. CLAUDE. Eight years.

The CHAIRMAN. You have counsel present to represent you?

Mr. CLAUDE. Yes, sir.

The CHAIRMAN. Counsel, will you please identify yourself for the record?

Mr. KAUFFMAN. My name is Rubin R. Kauffman, attorney at law in the State of New York. My office is at 855 Avenue of the Americas, New York City, and I have represented Mr. Claude since approximately 1953.

The CHAIRMAN. You may proceed.

Mr. KENNEDY. What sort of work does your shop do?

Mr. CLAUDE. I manufacture plumbing supplies.

Mr. KENNEDY. How many employees do you have?

Mr. CLAUDE. At present I have 15.

Mr. KENNEDY. Most of them are Puerto Rican, are they, the majority?

Mr. CLAUDE. About 50 percent.

Mr. KENNEDY. And now during 1954, were you approached by Mr. Max Chester?

Mr. CLAUDE. Yes.

Mr. KENNEDY. Were you approached at that time in connection with the unionizing of your shop?

Mr. CLAUDE. That is right.

Mr. KENNEDY. Would you describe to the committee what happened when you first met Mr. Max Chester?

Mr. CLAUDE. Mr. Chester came to the door and said he was going to unionize my shop. He wanted \$2,000 to give me a contract that I can live with.

Mr. KENNEDY. Just explain, where were you at the time?

Mr. CLAUDE. I was working on a machine, and he just walked into the shop.

Mr. KENNEDY. What did he say to you?

Mr. CLAUDE. He said, "I am going to unionize your shop." I asked each of my men whether they knew anything about it, and they knew nothing about it, my own men.

Mr. KENNEDY. Tell us more about the first conversation that you had with him. He walks in the door, and he says, "I am going to unionize your shop," and so what did you say? You were surprised?

Mr. CLAUDE. I said, "I have no objection, if it is proper." I mean if the union is a decent union, I have no objection whatsoever.

Well, he said, "If you will give me \$2,000, I will give you a contract that you can live with."

The CHAIRMAN. Those were his words, that he would give you a contract you could live with?

Mr. CLAUDE. That is right. I said, "I haven't got \$2,000," which was the truth. So he said, "Well, it is going to be difficult."

He took out pencil and paper, and he figured out that with a contract that I couldn't live with, I would probably go out of business.

The CHAIRMAN. Did he indicate to you or use those words, he could probably put you out of business?

Mr. CLAUDE. Yes.

The CHAIRMAN. He told you that?

Mr. CLAUDE. Yes.

The CHAIRMAN. All right.

Senator IVES. Mr. Chairman, may I raise a question there.

Did you not think it was rather peculiar that he should demand \$2,000 of you?

Mr. CLAUDE. Extremely peculiar.

Senator IVES. What did you do about it?

Mr. CLAUDE. I got panicky and I didn't know what to do.

Senator IVES. Did you consult with law authorities?

Mr. CLAUDE. I immediately called up the police.

Senator IVES. I did not mean to get ahead of you.

Mr. KENNEDY. What did he do to you when you came into the shop? Just relax and tell the story as you told it before. What did he do to you when he came into the shop?

Mr. CLAUDE. Well, he was not alone. He had a few men with him.

Mr. KENNEDY. Just tell the story easily to us.

Mr. CLAUDE. I am trying to. It isn't easy, and for you it may be but not for me.

I said, "I haven't got the \$2,000." He said, "In that case, I am going to pull a strike on you." So one at a time he got ahold of my men and made them sign the cards.

Mr. KENNEDY. Prior to that time, did he back you against the wall, or were you standing there, or what?

Mr. CLAUDE. No; there was no physical violence involved.

Mr. KENNEDY. Did he go through how much the contract would cost?

Mr. CLAUDE. Yes, he figured out with pencil and paper, over a 2-year period, a contract would cost me \$12,000. At that time I had only eight men.

Mr. KENNEDY. So what did you say to that? He said, if you pay the \$2,000 now you would save yourself—

Mr. CLAUDE. I could save myself \$10,000 and I should be very grateful, he told me, that he is giving me \$10,000. I immediately called the local police.

Mr. KENNEDY. Was it the first visit that you called the local police?

Mr. CLAUDE. Right away, immediately.

The CHAIRMAN. Just a moment. Was that after they left?

Mr. CLAUDE. After they left.

The CHAIRMAN. You did not call while they were there?

Mr. CLAUDE. I would say not. I see you appreciate the situation.

The CHAIRMAN. I appreciate it.

Mr. KENNEDY. Go on.

Mr. CLAUDE. I called the police, and the captain. It was the next morning. They were there when he came down. And he walked over to them and they showed him credentials that they belonged to a legitimate union, local 405, Retail Clerks of America.

Mr. KENNEDY. So what did he say to you?

Mr. CLAUDE. The captain came inside, and maybe I am getting ahead of myself. The captain came down, after they pulled the strike, and I didn't mention that, that they pulled the men out. He did pull the men out.

The CHAIRMAN. That day?

Mr. CLAUDE. Not the very first day. But several days after that he hung around.

Mr. KENNEDY. Let us go back to the original conversation now.

Mr. CLAUDE. I am a little wrong on the sequence.

Mr. KENNEDY. He came into your shop and he had two men with him?

Mr. CLAUDE. Yes, sir.

Mr. KENNEDY. And he said, "I am going to unionize your shop."

Mr. CLAUDE. Yes, sir.

Mr. KENNEDY. And then he figured out it would cost you \$12,000 if he unionized your shop and he would let you off with \$2,000?

Mr. CLAUDE. Yes, sir.

Mr. KENNEDY. If you gave him \$2,000 you would have a contract you could live with.

Mr. CLAUDE. Yes, if I gave him \$2,000.

Mr. KENNEDY. You said you did not have \$2,000.

Mr. CLAUDE. Yes, sir.

Mr. KENNEDY. Did you say to him at that time, "I will give you what I have"?

Mr. CLAUDE. I told him, "I will give you \$100 a week if you will let me alone, and we will sign a contract and I will pay you off at \$100 a week."

Mr. KENNEDY. What did he say about that?

Mr. CLAUDE. He said, "That is out of the question."

Mr. KENNEDY. At that time did he say anything about what cute children he had?

Mr. CLAUDE. He always inquired about my children's health, constantly. Every second sentence was, "How are your children?" and "How are your children?"

Mr. KENNEDY. Did he ask anything or say anything about what could happen to children?

Mr. CLAUDE. Of course.

Mr. KENNEDY. Just tell me. I want you to tell the whole conversation. What did he say would happen to children?

Mr. CLAUDE. The conversation was always about the health of my children.

Mr. KENNEDY. What did he say?

Mr. CLAUDE. He spoke mostly about his own, how he loves his own children.

Mr. KENNEDY. What would he say about his?

Mr. CLAUDE. How dangerous it is for children to play in the street.

Mr. KENNEDY. What did he say could happen to children who played in the street?

Mr. CLAUDE. He said a number of things, they can be run over, and things like that.

Mr. KENNEDY. Would he ask how your children were?

Mr. CLAUDE. And he always asked how my children were, and at the moment I am scared for my children.

Mr. KENNEDY. At this moment you are?

Mr. CLAUDE. Yes, sir.

Mr. KENNEDY. As you testify?

Mr. CLAUDE. Yes.

Mr. KENNEDY. Now, he would say, "I love my children, but it is terrible what can happen to them if they play in the streets and they can get hit by a car."

Mr. CLAUDE. I was subjected to that kind of psychology and it worked on me, believe me it did.

Mr. KENNEDY. And then he would ask the health of your children?

Mr. CLAUDE. Yes, sir.

Mr. KENNEDY. Right after he described what could happen?

Mr. CLAUDE. He never told me.

Mr. KENNEDY. He just told you these stories about what could happen to children?

Mr. CLAUDE. Yes, sir.

Mr. KENNEDY. After he told you about that at that point you said, well, that you would pay him \$100 a week.

Mr. CLAUDE. He refused to accept that offer.

Mr. KENNEDY. Was there anything else that occurred during that conversation?

Mr. CLAUDE. At this moment, I don't recall.

Mr. KENNEDY. After they left, you called the police, did you?

Mr. CLAUDE. Yes, sir.

Mr. KENNEDY. And the policeman came down?

Mr. CLAUDE. That's right.

Mr. KENNEDY. And he said to you at that time, "It is a legitimate labor organization."

Mr. CLAUDE. That is right, and he said, the local captain said, "You have got to make a deal with them. You have to make some kind of a deal with them because they are legitimate."

Mr. KENNEDY. He said that it is a legitimate labor organization.

The CHAIRMAN. In other words, the police that you called down advised you to make some kind of a deal with them?

Mr. CLAUDE. Absolutely.

Senator IVES. Mr. Chairman, may I interrupt there with a question?

Mr. CLAUDE. They probably referred to a contract with them, the captain must have referred that I should sign a contract, some kind of a contract with them.

The CHAIRMAN. Sign some kind of contract?

Mr. CLAUDE. Yes, sir.

Senator IVES. Are you going to follow that up with what he did as far as the law enforcement authorities are concerned?

Mr. KENNEDY. Yes, sir.

Senator IVES. Thank you.

Mr. KENNEDY. Then, the following day, did he come back again?

Mr. CLAUDE. He came back for 2 or 3 days with the same demands.

"Well, are you going to pay me?" "Well, are you going to pay me?"

Mr. KENNEDY. Were you frightened at that time at all?

Mr. CLAUDE. I was scared to death.

Mr. KENNEDY. And you are frightened at this time, also, when you testify.

Mr. CLAUDE. Of course.

Mr. KENNEDY. For what reason?

Mr. CLAUDE. Well, there are well known characters around the city of New York.

Mr. KENNEDY. Who are they?

Mr. CLAUDE. Max Chester, and I have made inquiry through several friends that are unionized to find out who this man is. Word was passed to me, "Watch yourself." That is all I can tell you.

Mr. KENNEDY. So you had some further conversations with him at that time?

Mr. CLAUDE. Yes, sir; and it was always with the arm around my shoulder like this [witness indicating], you know, and "You have got to pay us off because you are mine." Those were his words, "and I own you." "No matter where you are going to move, you are mine."

Finally, one morning he saw that I wouldn't pay off and as I had lunch, and he pulled the men out. Now my men tell me, and I wasn't present, that two uniformed police came into the shop and told the men to go out.

There I am a little at a loss and I couldn't understand it and I, to this day, don't understand it.

Mr. KENNEDY. When you came back from lunch, you found your men were out?

Mr. CLAUDE. Yes, sir.

Mr. KENNEDY. And picketing?

Mr. CLAUDE. Yes, sir.

The CHAIRMAN. Do you know the names of the policemen?

Mr. CLAUDE. I don't. I didn't see him, and I wasn't present.

The CHAIRMAN. Do you know the name of the first policeman that told you to make a deal?

Mr. CLAUDE. Well, the local captain, and I think he is still captain in my precinct.

The CHAIRMAN. What is his name?

Mr. CLAUDE. I wouldn't recall, sir.

The CHAIRMAN. All right, proceed.

Mr. KENNEDY. Now, again, let us go back just a little bit. Prior to this time, there had been pickets on your shop, even prior to the time that—

Mr. CLAUDE. Prior to this time there were pickets, but complete strangers.

Mr. KENNEDY. People not associated with your plant at all?

Mr. CLAUDE. That is right.

Mr. KENNEDY. Now, during this time when you went out to lunch and when you came back everybody was out in the street and during this period of time had your employees been approached?

Mr. CLAUDE. They had been approached, and they had been made to sign cards.

Mr. KENNEDY. As related to you, how did he go about making them sign cards?

Mr. CLAUDE. Well, the employees reported to me. They are very loyal to me because I treated them well and each one came to me and he said, "This morning I was approached by two men in the candy store on the way over and they put a card in front of me and they said 'Sign,' " and they signed.

Mr. KENNEDY. Why did they sign. Explain that.

Mr. CLAUDE. They are unskilled labor.

Mr. KENNEDY. They were Puerto Rican, were they?

Mr. CLAUDE. They were Puerto Rican.

Mr. KENNEDY. And people who had not been in this country very long?

Mr. CLAUDE. Possibly; yes, sir.

Mr. KENNEDY. And so what do you think the psychology of it was, as you understand your employees, of them signing it?

Mr. CLAUDE. How can I say why they signed? I can only give you an opinion. They were afraid.

Mr. KENNEDY. What was your opinion?

Mr. CLAUDE. They were afraid not to sign it. They were afraid of physical violence.

Mr. KENNEDY. And then we come up to the time that you went out to lunch and you came back and all of your employees were in the street.

Mr. CLAUDE. Outside.

Mr. KENNEDY. And they reported to you that the policeman had told them to go out there and picket?

Mr. CLAUDE. That is right.

Mr. KENNEDY. Or told them to go out of the shop?

Mr. CLAUDE. Yes, sir.

Mr. KENNEDY. And they were picketing?

Mr. CLAUDE. Yes sir.

Mr. KENNEDY. What did you do then?

Mr. CLAUDE. I closed the shop. I paid the men off and I just went away. I was closed for 7 weeks.

The CHAIRMAN. How many men did you have at that time?

Mr. CLAUDE. Eight men.

The CHAIRMAN. Eight employees?

Mr. CLAUDE. Yes, sir.

Senator IVES. Mr. Chairman, I would like to ask Mr. Claude a question.

What borough do you live in?

Mr. CLAUDE. I live in Flushing.

Senator IVES. That is Queens?

Mr. CLAUDE. Yes, sir.

Senator IVES. And that is where your business is?

Mr. CLAUDE. No; my business is in Brooklyn.

Senator IVES. This occurred in Brooklyn, then?

Mr. CLAUDE. Yes, sir.

Senator IVES. This is Kings County?

Mr. CLAUDE. Yes, sir.

Senator IVES. Did you go to the district attorney at Kings County on this?

Mr. CLAUDE. No.

Senator IVES. Why not?

Mr. CLAUDE. I really should have but I didn't.

Senator IVES. You certainly should have. With your police involved the way they were, you certainly should have done it.

Mr. CLAUDE. Max Chester told me, "I advise you not to. I advise you not to go to the district attorney."

Senator IVES. What reason did he give you?

Mr. CLAUDE. That's all. You don't have to give no more reason.

Senator IVES. You were not scared of him, were you?

Mr. CLAUDE. I didn't think that he would write out the reasons. He won't. It is easy now for me, even, to evaluate this whole thing, but at that time I wasn't rational, perhaps. I was in a state of mind that perhaps did not reason properly.

Senator IVES. In other words, you were terrified at the time?

Mr. CLAUDE. That is right.

Senator IVES. Thank you.

Mr. KENNEDY. During this period of time, every time you saw Max Chester, he asked you again how your children's health was, did he not?

Mr. CLAUDE. He always does that.

Mr. KENNEDY. He was very interested?

Mr. CLAUDE. Very much interested in my children's health.

Mr. KENNEDY. So you went away, and you closed your shop up, and you went away for 7 weeks?

Mr. CLAUDE. Yes.

Mr. KENNEDY. Why did you come back to your shop? Why did you open it up again?

Mr. CLAUDE. About 6 weeks after that, I began to get phone calls from my own men telling me that they have no money to live on, and they would like to go back to work.

Mr. KENNEDY. What had they been promised, or what had they been told?

Mr. CLAUDE. When they went on strike, they were promised \$25 a week for the duration of the strike. But from what the men reported to me, they got the \$25 the first week, and the second week only 1 or 2 men got \$25. and after that, nothing. He disappeared and he didn't come down and they picketed all by themselves, and they were abandoned by the union.

Mr. KENNEDY. So you came back and opened up your shop?

Mr. CLAUDE. I opened up, and I called my men, and I said, "Look, fellows, if you want to open up, this is a free country. We can work if we want to."

So we opened up, and we started to work.

The very next day after the shop was opened, Mr. Chester came to the door. He said, "What is going on here? What is this?" He said, "I am going to close you down unless you sign a contract immediately with me."

I said, "All right; I am ready to sign a contract. But \$2,000 is out."

Well, he said, "I will forfeit the \$2,000. I lost money on this deal, and it cost me \$430 to feed these men and give them \$25 a week, and I am losing \$430. You give me the \$430 that I spent, and I will give you a contract, and we'll be friends."

I said, "I haven't got \$430. After 7 weeks of strike, I am lucky to have pocket money."

So he said, "Well, you must have a few dollars in the bank." And I said, "All right; I can give you half of it right now."

So I gave him \$215, and I promised him the balance in the near future, when I have it.

With this \$215 we sat down in the restaurant and we signed the contract.

Mr. KENNEDY. The same day you gave him the initial payment of \$215, you signed a contract; is that right?

Mr. CLAUDE. That is right, and you have a copy of it there.

The CHAIRMAN. This is a copy of the contract.

The Chair presents to you what purports to be a photostatic copy of the contract to which you have referred in your testimony.

Will you examine it and state if you identify it as such.

(A document was handed to the witness.)

Mr. CLAUDE. This is a photostatic copy of the original contract.

The CHAIRMAN. It may be made exhibit No. 31.

(The document referred to was marked "Exhibit No. 31" for reference and may be found in the files of the select committee.)

(At this point, Senators Mundt and Curtis entered the hearing room.)

Mr. KENNEDY. This was 405 of the retail clerks?

Mr. CLAUDE. Yes, sir.

Mr. KENNEDY. Mr. Chairman, as we will bring out later, at that period of time, and since that period of time, 405 of the retail clerks has been controlled by Tony Ducks Corallo, and prior to this, of course, Max Chester as I said originally, had come out of 227, which was Dio's local.

Now, you signed that contract, and was there any improvement in conditions, working conditions, wages, or hours for the workers, for the employees, than what you had for them already?

Mr. CLAUDE. The contract calls for two 5-cent increases during the year, but otherwise than that, I always took care of my men previously.

Mr. KENNEDY. You would have given them that increase?

Mr. CLAUDE. I would have given them that anyway.

Mr. KENNEDY. So really, there was no improvement for the employees, by signing this contract; is that right?

Mr. CLAUDE. No; there was nothing there, that they would not have gotten anyhow.

Mr. KENNEDY. So you gave him \$215 on September 27, 1954.

Mr. CLAUDE. Yes, sir.

Mr. KENNEDY. Did you give him another \$215 the following month?

Mr. CLAUDE. Yes; you have the checks there.

Mr. KENNEDY. Just explain to the committee, you promised to give him \$430 when you had the original conversation, and you didn't have much money with you.

Mr. CLAUDE. No.

Mr. KENNEDY. So you wrote out a check for \$215?

Mr. CLAUDE. Yes, sir.

Mr. KENNEDY. And you went down and cashed it?

Mr. CLAUDE. He came with me every time I cashed a check for him.

Mr. KENNEDY. This was the first check?

Mr. CLAUDE. Yes, sir; and he always came to the bank with me.

Mr. KENNEDY. As the teller handed the money to you——

Mr. CLAUDE. He took the money right then and there.

Mr. KENNEDY. Even before it got into your hands?

Mr. CLAUDE. That is right.

Mr. KENNEDY. And then he left?

Mr. CLAUDE. Yes, sir.

The CHAIRMAN. The Chair presents to you——

Mr. KENNEDY. Following that, on October 18, 1954, you gave him another \$215?

Mr. CLAUDE. That is right; that is to clean up this original agreement.

Mr. KENNEDY. You went down and you went through the same procedure?

Mr. CLAUDE. Yes; he comes, and we write out a check and he comes with me to the bank and he takes the money that comes over the teller's window.

Mr. KENNEDY. On November 1, 1954, you gave him another \$200?

Mr. CLAUDE. Yes, sir.

Mr. KENNEDY. In cash?

Mr. CLAUDE. Yes, sir.

Mr. KENNEDY. What was the reason for that?

Mr. CLAUDE. Well, he asked for Christmas money.

Mr. KENNEDY. On November 1 he came and asked for Christmas money?

Mr. CLAUDE. Yes, sir.

Mr. KENNEDY. What did he say to you at that time?

Mr. CLAUDE. Well, he said, "I have got to take care of the boys. He has a lot of boys to take care of himself, and it is not all for me, you know, and I have got to split this several ways."

Mr. KENNEDY. Did he say this was the usual procedure?

Mr. CLAUDE. This is the usual procedure around Christmas. You have to take care of the boys.

Mr. KENNEDY. Did you point out to him it was only November 1?

Mr. CLAUDE. Well, he said, "It is close to Christmas, close enough to Christmas."

Mr. KENNEDY. And you went and cashed another check and gave it to him?

Mr. CLAUDE. Yes, sir.

Mr. KENNEDY. Then did he come to you in February of 1955 and ask you to cash a check for him, on February 9, 1955?

Mr. CLAUDE. Yes; he had a check, I think, issued by an attorney of his.

Mr. KENNEDY. The check was made out to Emmanuel Kessler?

Mr. CLAUDE. You have the check, I think. I don't know who it was made out to. It is a cash check. We have it here, for \$220, and he asked me to cash it.

The CHAIRMAN. Just before we proceed with that check, the Chair presents to you here the 3 checks that you previously testified to dated September 27, 1954, October 18, 1954, and November 1, 1954, in the amounts of \$215, \$215, and \$200, respectively.

I present to you what purports to be those original checks and I ask you to examine them and identify them, if you will.

(The documents were handed to the witness.)

Mr. CLAUDE. Those are the checks.

The CHAIRMAN. Are those the checks?

Mr. CLAUDE. Yes, sir.

The CHAIRMAN. Then those three checks may be made exhibits 32A, B, and C.

(The documents referred to were marked "Exhibits 32A, 32B, and 32C," for reference and will be found in the appendix on pp. 3995-3997.)

The CHAIRMAN. Now you may proceed with the check you were discussing when the Chair interrupted you.

Mr. KENNEDY. We have the 3 checks of \$215, \$215, and \$200.

Now, coming to February 9, 1955, did you know Max Chester by any other name?

Mr. CLAUDE. Yes, he called himself also, Emanuel Kessler.

Mr. KENNEDY. And did he come in or did Mr. Chester come in on February 9, 1955, and want you to cash a check for \$220 for him?

Mr. CLAUDE. That's right.

Mr. KENNEDY. Did you cash that check for him?

Mr. CLAUDE. Yes. This check was made out by Mr. Gilman, who is a labor consultant in New York.

Mr. KENNEDY. And it was made out to cash?

Mr. CLAUDE. Yes, sir.

The CHAIRMAN. Is that the check you cashed, the one you hold in your hand?

Mr. CLAUDE. Yes, a \$220 check. I went to the bank and I got cash.

Let me see, did I do that? I just deposited this check, and give him \$220. I don't remember whether I made a check out for \$220 and got money out and deposited this one. Anyway, I gave him \$220 for this check.

Mr. KENNEDY. He either got \$220 on that check in cash or by your check to him?

Mr. CLAUDE. No; by my check he didn't get it. He never would accept checks.

Mr. KENNEDY. You gave him cash?

Mr. CLAUDE. He gets cash. I was wondering how I got the cash at that time, whether I got it from the bank a single check, or I might have got it included in the payroll.

Mr. KENNEDY. He certainly got the cash?

Mr. CLAUDE. Yes, sir.

The CHAIRMAN. All right. That check may be made exhibit No. 33. (The document referred to was marked "Exhibit No. 33" for reference and will be found in the appendix on p. 3998.)

Mr. KENNEDY. You took this Gilman check, from Gilman Associates, who is a labor consultant in New York, and you took this check down and deposited it in your bank account, did you not?

Mr. CLAUDE. Yes, sir.

Mr. KENNEDY. What happened?

Mr. CLAUDE. The check bounced.

Mr. KENNEDY. So you were out \$220?

Mr. CLAUDE. Yes, sir. I deposited the thing twice.

Mr. KENNEDY. What did you decide to do then?

Mr. CLAUDE. My banker advised me. He said, "Redeposit it, and it maybe just caught him short one time or another."

Mr. KENNEDY. At that time, did you go down and speak to your attorney and decide to report this to the district attorney?

Mr. CLAUDE. Yes, after the second bounce I did.

Mr. KENNEDY. After it bounced the second time?

Mr. CLAUDE. Yes, sir. We first wrote a letter to Mr. Gilman and asked him to make good the check.

Mr. KENNEDY. What did he tell you?

Mr. CLAUDE. I don't know.

Mr. KAUFFMAN. Mr. Gilman spoke to me, and I am not testifying.

The CHAIRMAN. You did not yourself talk to Mr. Gilman?

Mr. CLAUDE. No, sir.

The CHAIRMAN. The witness did not?

Mr. CLAUDE. No.

The CHAIRMAN. Did you have your attorney talk to him?

Mr. CLAUDE. Yes, sir.

The CHAIRMAN. What did your attorney report to you that he said?

Mr. CLAUDE. That he hasn't got the money.

The CHAIRMAN. You were unable to get money out of him by contacting him?

Mr. CLAUDE. That is right.

The CHAIRMAN. All right. Proceed.

Mr. KENNEDY. Did he also relate to you that Max Chester wasn't supposed to cash this check, and he was supposed to keep the check?

Mr. CLAUDE. Yes. They put a few words in front of each other, but I didn't get the money.

Mr. KENNEDY. So did you decide to go down and see the district attorney?

Mr. CLAUDE. Let me see. That is when we went to the district attorney.

Mr. KENNEDY. And you discussed this \$220 check, this Gilman check and in the course of the conversation you also told them about the other money that you have been paying to Max Chester?

Mr. CLAUDE. That is right.

Mr. KENNEDY. Then you came back, and did Max Chester also known to you as Emanuel Kessler, come to see you again?

Mr. CLAUDE. Well, he came several times after that.

Mr. KENNEDY. Did he discuss with you the Gilman check for \$220?

Mr. CLAUDE. Yes. He said, "I know that check bounced." He said, "If you cash a \$130 check for me now, which I need very badly, I will give you four \$55 checks predated, and you won't be out any money."

Mr. KENNEDY. Now, he came to you and he said, "I know the \$220 check bounced, but I want to make that good to you. I will give you four \$55 checks, and we will date them up."

Mr. CLAUDE. "And you cash a check for \$130 for me."

Mr. KENNEDY. As long as you could cash that check?

Mr. CLAUDE. Yes.

Mr. KENNEDY. Did you cash that check?

Mr. CLAUDE. I cashed the \$130. I gave him \$130.

Mr. KENNEDY. And you deposited the \$130 check in your bank account?

Mr. CLAUDE. No, he gave me the \$130 check, and he gave me four \$55 checks.

Mr. KENNEDY. And you gave him \$130?

Mr. CLAUDE. That is right.

Mr. KENNEDY. What happened to the \$130 check?

Mr. CLAUDE. Well, it bounced. They all bounced.

The CHAIRMAN. Just one moment. When you gave him the \$130 to cash his check, did you issue a check of your own for cash and get the money?

Mr. CLAUDE. Well, yes, that is the only way I can get my money.

The CHAIRMAN. I understand.

The Chair presents to you a check dated April 1, 1955, made out to cash in the amount of \$130, signed by you and I will ask you if from the proceeds of that check, you got the cash to cash his \$130 check.

Mr. CLAUDE. Yes, that is the check.

The CHAIRMAN. That may be made exhibit No. 34.

(The document referred to was marked "Exhibit No. 34" for reference and will be found in the appendix on p. 3999.)

The CHAIRMAN. At the same time he gave you four \$55 checks?

Mr. CLAUDE. Yes, sir.

The CHAIRMAN. Postdated, is that correct?

Mr. CLAUDE. That is correct.

The CHAIRMAN. One was dated April 6, 6 days later, another April 13, and another dated April 20, and another dated April 27.

In other words, he gave you 4 checks, maturing 1 week, 2 weeks, 3 weeks and 4 weeks from that date, each in the amount of \$55?

Mr. CLAUDE. Yes. He also gave me the \$130 check.

The CHAIRMAN. I am not sure we have that one.

Mr. KAUFFMAN. There is another check for \$130, made by Mr. Kessler in the folder.

The CHAIRMAN. At the time you cashed your check for \$130, you gave him the money for his \$130 check, is that correct?

Mr. CLAUDE. That is correct.

The CHAIRMAN. I present to you here what purports to be that original check which he gave you on April 7 for \$130. Will you examine it and identify it, please?

(A document was handed to the witness.)

Mr. CLAUDE. It is dated April 7, but he gave it to me April 1.

The CHAIRMAN. That is a postdated check, too?

Mr. CLAUDE. That is right.

The CHAIRMAN. That may be made exhibit No. 35.

(The document referred to was marked "Exhibit No. 35" for reference and will be found in the appendix on p. 4000.)

The CHAIRMAN. Now, the Chair presents to you the four \$55 checks about which you have testified. I ask you to examine those checks and see if you identify them as the original checks which he gave you.

Mr. CLAUDE. Yes, sir; those are the checks.

The CHAIRMAN. They may be made exhibit No. 36-A, B, C, and D.

(The documents referred to were marked "Exhibits Nos. 36-A,

through 36-D" for reference and will be found in the appendix on pp. 4001-4004.)

The CHAIRMAN. As I understood your testimony up to now, you have never received that \$220 and you did not get the money on those checks and you did not get the money on the other checks.

Mr. CLAUDE. There is no money coming back, ever. It is a one-way street.

The CHAIRMAN. Proceed.

Mr. KENNEDY. The total then, of the money that you had given him through these checks, was \$215, \$215, \$200, \$130; the \$220 making a total of \$860.

Mr. CLAUDE. That's it.

Mr. KENNEDY. Did you give him any other money during this period of time?

Mr. CLAUDE. Well, at one time I specifically remember he came around and asked for \$200 and he came around with another man by the name of Foster. He said they had to have \$200 and they will give it back to me within a week, "I must have it."

So at that time I gave him \$200 in cash. I had it in my pocket.

Mr. KENNEDY. Did you give him other cash periodically?

Mr. CLAUDE. Several times he came in, but I have no record of that at all.

Mr. KENNEDY. But periodically, every several weeks, he would come in and ask you.

Mr. CLAUDE. I estimated a total of \$1,400 is what it cost me.

Mr. KENNEDY. Altogether about \$1,400?

Mr. CLAUDE. Yes, sir.

Mr. KENNEDY. At these weekly visits, or biweekly visits, would he continuously ask about how your children were?

Mr. CLAUDE. That is the first question he would ask, "How is the family?" and "How is your wife?" and "How are your children? Here, give me the money."

Mr. KENNEDY. After he asked you about your children, he would ask you for the money?

Mr. CLAUDE. That is the procedure.

Senator MUNDT. Did he ever make any payments back at all?

Mr. CLAUDE. You must be joking, Senator.

Senator MUNDT. Not a penny?

Mr. CLAUDE. No.

The CHAIRMAN. During this time, were your employees paying dues to the union?

Mr. CLAUDE. Yes; 75 cents a week.

The CHAIRMAN. Seventy-five cents a week?

Mr. CLAUDE. Yes, sir.

The CHAIRMAN. That is about \$3 per month?

Mr. CLAUDE. That is right.

The CHAIRMAN. That is what they were paying?

Mr. CLAUDE. Yes, sir; the contract calls for it.

The CHAIRMAN. Did your employees pay those dues, or did you pay it for them?

Mr. CLAUDE. The employees paid it.

The CHAIRMAN. Whom did they pay it to?

Mr. CLAUDE. I took it out of their wages. According to the contract we have a checkoff and I mailed it in to the local 405.

The CHAIRMAN. That money was in addition to \$1,400 that you testified about?

Mr. CLAUDE. Yes, sir.

The CHAIRMAN. The dues that you collected?

Mr. CLAUDE. Oh, yes, it was separate checks, new checks.

Mr. KENNEDY. On these \$55 checks, they were returned to you with the notification that the account had been closed; is that right?

Mr. CLAUDE. I only deposited three. The fourth one was a waste of time after the three others bounced on the same bank. I only deposited the first, second, and third, and I didn't bother anymore.

Mr. KENNEDY. And then the account was nonexistent; is that right?

Mr. CLAUDE. There was no account there.

Mr. KENNEDY. There was no account on the bank in which the checks were written?

Mr. CLAUDE. It was marked "account closed."

Mr. KENNEDY. There was no account at that time?

Mr. CLAUDE. Not at that time; no.

Senator MUNDT. What about your experiences with the district attorney? You said you went down to see him about this one check that bounced.

Mr. CLAUDE. Well, if I recall correctly, in addition to that I got a subpoena from the district attorney, a grand jury subpoena, from Assistant District Attorney Burns. I went down to see him and he subpoenaed my books. I went down to see him with the accountant. He took a look at all of these checks and things and he looked over the books and he wanted to get the goods on some of these men.

I told him exactly what I have told you here now, word by word and no difference.

Senator MUNDT. When you went to the district attorney, you went down there at the request of the district attorney?

Mr. CLAUDE. Yes.

Senator MUNDT. I gathered the impression you went down to try to have him return the money.

Mr. KAUFFMAN. We first went to the district attorney on the basis of the \$220 check. At the private hearing with the district attorney, all of these facts came out, and subsequently a grand jury subpoena was served and we formally testified before the grand jury.

Senator MUNDT. I understand. In the meantime the district attorney could do nothing to help collect the money.

Mr. CLAUDE. He had done nothing; he told me that he had several cases against these men ahead of me and the time would come and he would handle it properly.

Senator MUNDT. He had other people that he was mistreating the same way he was mistreating you apparently.

Mr. CLAUDE. I am sorry. I didn't hear you.

Senator MUNDT. The district attorney told you there were other fellows in the same predicament with you?

Mr. CLAUDE. Well, this union organized 60 shops. There must have been others ahead of me.

Mr. KENNEDY. In explanation of that, your shop is over in Brooklyn; is that correct?

Mr. CLAUDE. Yes, sir.

Mr. KENNEDY. And the district attorney you went to visit was in Manhattan?

Mr. CLAUDE. That is right.

Mr. KENNEDY. And so it was a matter that would be taken up over in Brooklyn, that is No. 1.

No. 2, this man Max Chester was indicted on maybe 8 or 9 or 10 different counts for extortions from other employers. The district attorney in Manhattan, under Frank Hogan, has been interested in Max Chester for a number of years, as well as almost every other individual that we have appearing before our committee.

Senator MUNDT. He apparently recognized this as part of a pattern of a shakedown rather than just a private transaction.

Mr. KENNEDY. That is correct, and they have been interested and they have been working on this for a number of years up in the district attorney's office.

Senator CURTIS. Mr. Claude, I was delayed in getting here, and so I will be very brief and I hope I do not touch on anything that is already in the record.

Did your employees prefer this union as their bargaining agent?

Mr. CLAUDE. They knew nothing about unions one way or the other.

Senator CURTIS. They did not on their part select this particular union?

Mr. CLAUDE. Definitely not.

Senator CURTIS. Now, the contract does prescribe a union shop, does it not?

Mr. CLAUDE. Yes, sir.

Senator CURTIS. In other words, they had to remain members of the union to hold their jobs, did they not?

Mr. CLAUDE. That is correct.

Senator CURTIS. And had they learned of the corruption of these running the union, they could not have stopped paying dues without losing their jobs, could they?

Mr. CLAUDE. That is right.

Senator CURTIS. That is all.

The CHAIRMAN. Are there any further questions?

Mr. Claude, I think I express the sentiments of each member of the committee, and we are very grateful to you for coming here to testify frankly and freely, and honestly about these transactions.

Such testimony is helpful and it is quite a contrast to these characters that come in and take the fifth amendment. We are hopeful that many others will follow your example and help us, the Congress and those elements and organizations and authorities in the labor movement that want to clean up this racketeering and these improper practices in unionism.

However, it may be necessary to have further testimony from you and I am not going to discharge you from the committee, but order that you remain under the same subpoena, under recognizance to return and testify upon reasonable notice whenever the committee may desire further testimony from you.

Mr. CLAUDE. For that I am grateful.

The CHAIRMAN. Well, you are under subpoena and you remain under subpoena and if anybody undertakes to molest you or interfere with you in any way or if anyone undertakes to molest you or threaten you or intimidate you in any way, regarding your testimony here, you or

any member of your family, I ask that you report it at once to this committee. We will see what we can do about it.

Mr. CLAUDE. Thank you.

The CHAIRMAN. Thank you very much again, and you may stand aside.

Mr. KENNEDY. Mr. Max Chester.

The CHAIRMAN. Mr. Chester, will you stand and be sworn, please?

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. CHESTER. I do, sir.

TESTIMONY OF MAX CHESTER, ACCOMPANIED BY HIS COUNSEL, JACOB M. MANDELBAUM

The CHAIRMAN. Please state your name and your place of residence and your business or occupation.

Mr. CHESTER. My name is Max Chester. As to the rest, I respectfully decline to answer on the grounds that to do so may tend to incriminate me.

The CHAIRMAN. The Chair asks you again the question, to request that you state your present address and your occupation or business.

Mr. CHESTER. I respectfully decline to answer that question on the ground to do so may tend to incriminate me.

The CHAIRMAN. Well, now it might, if I understand the facts correctly. Your present address, I believe, is in jail, is that right?

Mr. CHESTER. Sir, I respectfully decline to answer that on the ground that to do so may tend to incriminate me.

The CHAIRMAN. I did not intend to elicit that information. I assumed that you have a residence address somewhere. That is all the Chair was asking you for.

Mr. CHESTER. Again, may I say this, Senator, I respectfully decline to answer this on the ground that to do so may tend to incriminate me.

The CHAIRMAN. Well, I believe we will just try it out. I do not think a man has a right in this country to refuse to give his address. So, with the permission of the committee, the Chair is going to order and direct you to give your residential address.

I want your residence, where you live, and not your temporary abode; but what you regard as your residence.

Mr. CHESTER. Mr. Senator, I respectfully decline to answer that on the ground that to do so may tend to incriminate me.

The CHAIRMAN. Do you have a family?

Mr. CHESTER. Mr. Senator, I respectfully decline to answer that on the ground that to do so may tend to incriminate me.

The CHAIRMAN. With the permission of the committee, the Chair orders and directs you to answer the two questions, what your residential address is and also, whether you have a family.

(The witness conferred with his counsel.)

Senator MUNDT. The witness is getting advice from somebody, and I would like to have him identified. Is he an attorney, and would he give his name and address for the record?

The CHAIRMAN. The Chair would do that in a moment. I have always proceeded to determine the address of the witness before I

recognized counsel. If I cannot get that address, then we will proceed to other matters.

Mr. CHESTER. Mr. Senator, I answered that question before.

The CHAIRMAN. Well, I have ordered you to answer it and you did not answer it before. You declined to answer it before, and now I am ordering and directing you to answer it.

Mr. CHESTER. Mr. Senator, I respectfully decline to answer on the ground that to do so may tend to incriminate me.

The CHAIRMAN. Will you answer this one: Do you have a lawyer present to represent you?

Mr. CHESTER. Yes; I have.

The CHAIRMAN. Does that incriminate you?

All right, Mr. Lawyer, you may identify yourself for the record.

Mr. MANDELBAUM. Jacob M. Mandelbaum, attorney at law, 111 Broadway, New York City.

The CHAIRMAN. Thank you very much sir.

All right, Mr. Counsel, you may proceed.

Mr. KENNEDY. The records that we have—

The CHAIRMAN. I wish to direct counsel, and I wish to say for my colleagues on the committee, that I would like to have this witness asked every question pertinent to the preceding testimony and I want him to either answer or to sit here in public view before this committee and take the fifth amendment under statements that to truthfully answer it may tend to incriminate him and I want him asked everything about it.

Proceed.

Mr. KENNEDY. First, Mr. Chairman, we have information regarding Mr. Chester's background prior and during his time in the labor-union movement.

No. 1, that he has a criminal record beginning in 1937, consisting of some 9 arrests and 6 convictions.

Is that correct?

Mr. CHESTER. Sir; I respectfully decline to answer on the ground that to do so may tend to incriminate me.

Mr. KENNEDY. He was convicted in 1936 for bookmaking, and in 1938 for robbery, for which he received a suspended sentence of 5 years, approximately.

In 1948, for attempted petty larceny, for which he was fined \$75, in 1950 for bookmaking, in 1956 for extortion. He is awaiting sentence.

In 1957 for receiving a bribe, together with Johnny Dioguardi and Sam Goldstein, is that correct?

Mr. CHESTER. Sir; I respectfully decline to answer on the ground that to do so may tend to incriminate me.

Mr. KENNEDY. A conviction in 1956 for extortion was for extorting \$2,000 from Alex Wallau, Jr., to keep Wallau's slipper shop non-union and that was the conversation in connection with that conviction, the conversation we heard last week.

The CHAIRMAN. Proceed to ask him about each incident and let us find out if he answers.

Mr. KENNEDY. He was indicted for receiving \$1,000 from Louis Artists Materials Co. in Manhattan, by the district attorney's office, Mr. Hogan.

He was indicted up there by the grand jury for receiving \$1,000 from Louis Artists Materials Co., is that correct?

Mr. CHESTER. Sir, I respectfully decline to answer on the ground that to do so may tend to incriminate me.

Mr. KENNEDY. \$700 from Earnest Longo Distributing Co., \$2,250 from New York Quilting Novelty Co., \$2,000 from Gustave, Inc., and \$1,250 from Flexigrip, and \$250 from Shoreham Manufacturing Co., Inc., \$250 from Wadsworth Five & Ten Cent Stores, Inc., and \$400 from Photo Products Co., and \$250 from Ace Looseleaf Co., Inc., and \$335 from Lane Slide Fastener, Inc., and \$300 from Arnold Originals.

Could you make any comment on that?

Mr. CHESTER. Sir, I respectfully decline to answer on the ground that to do so may tend to incriminate me.

Mr. KENNEDY. Mr. Chairman, our records that we have showed that he started in the labor movement with local 496 of the International Chemical Workers and that that charter was lifted by the chemical workers because of an extortion on the part of two of its officials. Is that correct?

Mr. CHESTER. Sir, I respectfully decline to answer on the ground that to do so may tend to incriminate me.

The CHAIRMAN. What does the record show, I will ask counsel, as to when he entered the labor movement?

Mr. KENNEDY. The earliest we have is back in the early 1950's. That is when he was with 496 of the International Chemical Workers.

The CHAIRMAN. Is that when you first entered the labor movement?

Mr. CHESTER. Mr. Senator, I respectfully decline to answer on the ground that to do so may tend to incriminate me.

The CHAIRMAN. Have all of these offenses been committed since you entered the labor movement?

Mr. CHESTER. Mr. Senator, I respectfully decline to answer on the ground that to do so may tend to incriminate me.

The CHAIRMAN. Did you ever do an honest thing to help honest laboring union people in your life?

Mr. CHESTER. Mr. Senator, I respectfully decline to answer on the ground that to do so may tend to incriminate me.

The CHAIRMAN. It would be a good time to tell it if you ever did. If you can name one good thing that you ever did to help unionism, or help honest working people, now is a great opportunity for you, sir, to state what it is, and what you did.

Mr. CHESTER. Mr. Senator, I respectfully decline to answer on the ground that to do so may tend to incriminate me.

The CHAIRMAN. In other words, it incriminates you if you ever did something good?

Let us have order.

Mr. CHESTER. Mr. Senator——

The CHAIRMAN. This is pretty serious business.

Mr. CHESTER. I respectfully decline to answer on the ground that to do so may tend to incriminate me.

The CHAIRMAN. Proceed.

Senator CURTIS. Mr. Chester, why did you enter the labor-union field?

Mr. CHESTER. Mr. Senator, I respectfully decline to answer on the ground that to do so may tend to incriminate me.

Senator CURTIS. Mr. Chester, the witness, Paul Claude, testified that you expressed an interest in his wife and children. What was your interest in his wife and children?

Mr. CHESTER. Mr. Senator, I respectfully decline to answer on the ground that to do so may tend to incriminate me.

Senator CURTIS. Do you have a defense to the transactions testified to by the witness, Mr. Paul Claude?

Mr. CHESTER. Mr. Senator, I respectfully decline to answer on the ground that to do so may tend to incriminate me.

The CHAIRMAN. I do not believe you have been indicted for those offenses yet; have you?

Mr. CHESTER. Mr. Senator, I—

The CHAIRMAN. Well, have you?

Mr. CHESTER. I respectfully decline to answer on the ground that to do so may tend to incriminate me.

The CHAIRMAN. According to our records, you have not. So they are not included in your convictions.

Senator Ives?

Senator IVES. I would like to carry on this Paul Claude business a little further.

You were in the room here, were you not, Mr. Chester, when the testimony of Mr. Claude was given?

Mr. CHESTER. Mr. Senator, I respectfully decline to answer on the ground that to do so may tend to incriminate me.

Senator IVES. Do you mean to tell me it is going to incriminate you to tell us whether or not you were in this room? That is all I am asking you.

Mr. CHESTER. Mr. Senator, I respectfully decline to answer on the ground that to do so may tend to incriminate me.

Senator IVES. Mr. Chairman, this witness is making a mockery of this whole business. In my judgment he is in contempt of the whole Senate, the way he is acting.

The CHAIRMAN. Let the Chair make this observation: I do not deny the right of any witness under the Constitution to take the fifth amendment if he honestly believes that a truthful answer to the questions asked him might tend to incriminate him.

I think anyone can draw a conclusion as to while innocence is presumed that innocence in a criminal trial should always prevail until the charge is proven and the defendant is found guilty.

But this is not a criminal proceeding. This is an investigation to determine what kind of practices are going on in the labor-management relations field. We are trying to ascertain those that are improper, those that are criminal or improper, and that should receive the attention of the Congress in the nature of remedial legislation.

So the witness is not on trial, but he invokes the fifth amendment. In most instances, he may have a right to do so under the Constitution and he may have a right in each instance that he has invoked it.

But I do not concede that because the Constitution gives a man the right to invoke the fifth amendment that this committee cannot draw inferences from that character of cooperation the committee seeks in trying to render a service to this Government and to the people of this country.

Senator IVES. Mr. Chairman, I would like to ask you a question on that. By what possible process of the imagination can this witness get the idea that it is going to incriminate him if he tells us whether or not he was in this room when the last witness testified?

The CHAIRMAN. Well, the Chair agrees with you. There is absolutely none. But I would not be sure how the Supreme Court would interpret it.

Senator MUNDT. Mr. Chairman, I would like to find out. I think we have a responsibility to put cases like this squarely up to the Court and let the Court assume the responsibility for any ruling it wants to make. Obviously, if we are going to have an official investigation, we have to have some kind of basis of procedure.

The CHAIRMAN. Let the Chair make this observation, gentlemen. Any question that the witness refuses to answer, if we are going to proceed for contempt before this committee, the question must be pertinent to this inquiry. Bear that in mind.

So we ask questions simply as background information often, to put the witness in the proper perspective, so we may weigh his testimony.

Any number of these questions have been of that nature. And many of them have been pertinent.

At any time any member of the committee feels that the Chair should order the witness to answer the question, if they will so advise the Chair, we will proceed accordingly.

Proceed.

Senator IVES. Mr. Chairman, I certainly think my question of the witness as to whether or not he was in the room when the last witness testified is pertinent to the inquiry. I think it has a strong bearing on it, on what I was going to ask him.

The CHAIRMAN. Ask the question again and the Chair will order and direct him to answer it.

Senator IVES. I will ask you again. Were you in the room, Mr. Chester, when the last witness, to wit, Mr. Paul Claude, was testifying this afternoon?

Mr. CHESTER. Mr. Senator, I respectfully decline to answer on the ground that to do so may tend to incriminate me.

The CHAIRMAN. Without objection from the members of the committee, the Chair orders and directs the witness to answer the question.

(The witness conferred with his counsel.)

Mr. CHESTER. I respectfully decline to answer on the ground that to do so may tend to incriminate me.

The CHAIRMAN. Gentlemen, proceed.

Senator IVES. Mr. Chairman, I have two more questions I would like to ask the witness.

The CHAIRMAN. Senator IVES.

Senator IVES. I anticipate the same type of answer, but, nevertheless, they are pertinent and I want to ask them.

Mr. Chester, when were you initiated into local 405, Retail Clerks International Union?

Mr. CHESTER. Mr. Senator, I respectfully decline to answer on the ground that to do so may tend to incriminate me.

The CHAIRMAN. Repeat the question.

The Chair is going to order and direct you to answer.

Senator IVES. Mr. Chester—

The CHAIRMAN. May I ask the committee if it is the will of the committee that the Chair proceed the order and direct the witness to answer all pertinent questions that may be propounded to him.

All right, that will be the action taken by the Chair.

Proceed.

Senator IVES. Mr. Chester, when were you initiated into local 405, Retail Clerks International Union?

(The witness conferred with his counsel.)

Mr. CHESTER. Mr. Senator, I respectfully decline to answer on the ground that to do so may tend to incriminate me.

The CHAIRMAN. The Chair asks you one other question: Do you honestly believe that if you gave a truthful answer to that question, that a truthful answer under oath might tend to incriminate you?

(The witness conferred with his counsel.)

Mr. CHESTER. Mr. Senator, I respectfully decline to answer on the ground that to do so may tend to incriminate me.

The CHAIRMAN. The Chair orders and directs you to answer the last question the Chair asked you.

(The witness conferred with his counsel.)

Mr. CHESTER. Mr. Senator, I respectfully decline to answer on the ground that to do so may tend to incriminate me.

The CHAIRMAN. The Chair now orders and directs you to answer the question of Senator Ives.

Do you wish to repeat it, Senator?

Senator IVES. Mr. Chester, when were you initiated into Local 405 of the Retail Clerks International Union?

The CHAIRMAN. You are ordered and directed to answer that question.

(The witness conferred with his counsel.)

Mr. CHESTER. Mr. Senator, I respectfully decline to answer on the ground that to do so may tend to incriminate me.

The CHAIRMAN. Proceed with the next question.

Senator IVES. Mr. Chester, for what period of time have you paid dues in Local 405, Retail Clerks International Union?

(The witness conferred with his counsel.)

Mr. CHESTER. Mr. Senator, I respectfully decline to answer on the ground that to do so may tend to incriminate me.

The CHAIRMAN. The Chair orders and directs you to answer that question.

(The witness conferred with his counsel.)

Mr. CHESTER. Mr. Senator, I respectfully decline to answer on the ground that to do so may tend to incriminate me.

The CHAIRMAN. Let us proceed.

Senator IVES. Mr. Chester, when were you suspended from Local 405 of the International Union of Retail Clerks?

Mr. CHESTER. Senator, I respectfully decline to answer on the ground that to do so may tend to incriminate me.

The CHAIRMAN. You are ordered and directed to answer the question.

(The witness conferred with his counsel.)

Mr. CHESTER. Mr. Senator, I respectfully decline to answer on the ground that to do so may tend to incriminate me.

Senator IVES. Mr. Chester, were you at any time an officer, organizer, or business agent for Local 405 of the Retail Clerks International Union?

(The witness conferred with his counsel.)

Mr. CHESTER. Mr. Senator, I respectfully decline to answer on the ground that to do so may tend to incriminate me.

The CHAIRMAN. You are ordered and directed to answer the question.

(The witness conferred with his counsel.)

Mr. CHESTER. Mr. Senator, I respectfully decline to answer on the ground that to do so may tend to incriminate me.

The CHAIRMAN. The Chair would like to ask chief counsel a question.

I do not recall, but is this witness presently a member or an officer in any union?

Mr. KENNEDY. At the beginning of this year, the first few months of this year, the International Union of Retail Clerks lifted the charter of this and certain other of the retail clerks unions in New York City.

The CHAIRMAN. What position did this witness occupy at that time?

Mr. KENNEDY. He was business manager, vice president, and president, all at the same time.

No; he was business manager, vice president, and secretary-treasurer.

The CHAIRMAN. Of what?

Mr. KENNEDY. Of 405, retail clerks.

The CHAIRMAN. Up until some time this year when he was ousted by the international union lifting the charter of that local?

Mr. KENNEDY. That is correct.

The CHAIRMAN. Proceed.

Mr. KENNEDY. As I say, that is one of the local unions.

The CHAIRMAN. Do you want to deny that statement? Do you want to correct any part of it?

(The witness conferred with his counsel.)

Mr. CHESTER. I respectfully decline to answer on the ground that to do so may tend to incriminate me.

The CHAIRMAN. Then we must assume that you don't want to make any correction of the statement.

Mr. CHESTER. Senator, I respectfully decline to answer on the ground that to do so may tend to incriminate me.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Chairman, that was at various times that he was business manager. He didn't hold those offices all at one time. That 405 is, as I say, a union about which we will have further testimony later. Prior to coming into 405 of the retail clerks, he was in 227 of the UAW-AFL, which is on the chart here. That local was controlled by Johnny Dio.

I am wondering how you got into that local, under what circumstances.

Mr. CHESTER. Sir, I respectfully decline to answer on the ground that to do so may tend to incriminate me.

Mr. KENNEDY. Did you talk to Dio about becoming a member of that union?

Mr. CHESTER. Sir, I respectfully decline to answer on the ground that to do so may tend to incriminate me.

The CHAIRMAN. The Chair will ask you again: Do you honestly believe that a truthful answer to the question counsel has just asked you, that a truthful answer thereto under oath might tend to incriminate you?

(The witness conferred with his counsel.)

Mr. CHESTER. Sir, I respectfully decline to answer on the ground that to do so may tend to incriminate me.

The CHAIRMAN. I believe, in some instances, you might have a perfect legal right to invoke the fifth amendment without being in contempt of this committee, but I challenge the right of anyone to invoke the fifth amendment without he can state that he honestly believes that a truthful answer to the question might tend to incriminate him.

Therefore, I am propounding that question to you. Do you honestly believe that a truthful answer to those questions under oath might tend to incriminate you?

(The witness conferred with his counsel.)

Mr. CHESTER. I respectfully decline to answer on the ground that to do so may tend to incriminate me.

The CHAIRMAN. You are ordered and directed to answer that question.

(The witness conferred with his counsel.)

Mr. CHESTER. I respectfully decline to answer on the ground that to do so may tend to incriminate me.

The CHAIRMAN. Proceed, Mr. Counsel.

Mr. KENNEDY. Do you know Tony "Ducks" Corallo?

Mr. CHESTER. Sir, I respectfully decline to answer on the ground that to do so may tend to incriminate me.

Mr. KENNEDY. Mr. Chairman, once again this takes on significance because of the fact that Dio controlled local 227 and "Ducks" controlled local 405, and they combined together their activities during December of 1955 and January and February of 1956, in efforts to bring about the election of John O'Rourke as president of the teamsters in New York City.

Senator MUNDT. Mr. Chester, have you ever used the name of Mr. Emanuel Kessler?

Mr. CHESTER. Senator, I respectfully decline to answer on the ground that to do so may tend to incriminate me.

Senator MUNDT. Would you deny that you have ever signed yourself as Emanuel Kessler?

Mr. CHESTER. Senator, I respectfully decline to answer on the ground that to do so may tend to incriminate me.

Senator MUNDT. Mr. Chairman, I would like to have the witness examine the handwriting at the bottom of that contract and tell us whether or not that is his handwriting.

There is the signature of Emanuel Kessler there, with some notations in pen and ink.

The CHAIRMAN. Would you recognize your own handwriting?

(The witness conferred with his counsel.)

Mr. CHESTER. Senator, I respectfully decline to answer on the ground that to do so may tend to incriminate me.

The CHAIRMAN. I want to show you what purports to be your handwriting on this contract that has been made exhibit 31 to the testi-

mony in these hearings, and I ask you to examine it, look at it, and state whether that is your handwriting and whether this is your signature on that contract.

(A document was handed to the witness.)

Mr. CHESTER. Senator, I respectfully decline to answer on the ground that it may tend to incriminate me.

The CHAIRMAN. It does not embarrass you for me to show it to you; does it?

Mr. CHESTER. Senator, I respectfully decline to answer on the ground that it may tend to incriminate me.

The CHAIRMAN. Proceed.

Mr. KENNEDY. We have some testimony here that you were very anxious to find out what the health was of Mr. Claude's children. Is that true?

Mr. CHESTER. Senator, sir, I respectfully decline to answer on the ground to do so may tend to incriminate me.

Mr. KENNEDY. Have you always been interested in children?

Mr. CHESTER. Sir, I respectfully decline to answer on the ground that to do so may tend to incriminate me.

Mr. KENNEDY. He said that during the same period of time that you would ask about his children, you would tell what could happen to little children, about cars coming along and hitting them in the street. Then you would bring up the question of getting some money from him, some cash from him.

Was there any connection between your love of little children and your desire to have cash?

Mr. CHESTER. Sir, I respectfully decline to answer on the ground that to do so may tend to incriminate me.

Mr. KENNEDY. That is all.

The CHAIRMAN. Take those checks, Mrs. Watt, please, and lay them in front of this witness. Let us take the first three which have been made an exhibit. What is the number of the exhibit you are now presenting?

Mrs. WATT. No. 32.

The CHAIRMAN. I present to you a series of three checks, exhibit No. 32. What is the amount of each one? The first 2 are \$215 and the third one that you are looking at is in the amount of \$200.

(Documents were handed to the witness.)

The CHAIRMAN. According to the testimony of the preceding witness, Mr. Paul Claude, he states that he went to the bank and cashed these checks, that you went with him, and that he gave you the money for each one of them, that it was money that you demanded in connection with unionizing his shop.

Is that the truth, or is it a lie?

Mr. CHESTER. Senator, I respectfully decline to answer on the ground that to do so may tend to incriminate me.

The CHAIRMAN. Did you get the money from those checks?

Mr. CHESTER. Senator, I respectfully decline to answer on the ground that to do so may tend to incriminate me.

The CHAIRMAN. Did it incriminate you when you got the money?

(The witness conferred with his counsel.)

Mr. CHESTER. Senator, I respectfully decline to answer on the ground that to do so may tend to incriminate me.

The CHAIRMAN. Show him those hot checks that bounced.

Give me the number of the exhibit.

Mrs. WATT. The four, Senator?

The CHAIRMAN. Yes; the 4 hot checks, \$55 each.

Mrs. WATT. 36A, B, C, and D.

The CHAIRMAN. I now present to you four checks that have been made exhibit 36A, B, C, and D. I will ask you whose signature is on those checks.

(Documents were handed to the witness.)

(The witness conferred with his counsel.)

Mr. CHESTER. Senator, I respectfully decline to answer on the ground that to do so may tend to incriminate me.

The CHAIRMAN. What is your name?

(The witness conferred with his counsel.)

Mr. CHESTER. My name is Max Chester.

The CHAIRMAN. Look at those checks and see whose name signed them. Can you read?

Mr. CHESTER. I respectfully decline to answer on the ground that to do so may tend to incriminate me.

The CHAIRMAN. Read the name of the signer of those checks. What is the name?

Mr. CHESTER. I respectfully decline to answer on the ground that to do so may tend to incriminate me.

The CHAIRMAN. You are ordered and directed to read the names on those four checks.

Mr. CHESTER. I respectfully decline to answer on the ground that to do so may tend to incriminate me.

The CHAIRMAN. You may do that. The name Max Chester is there; is it not?

Mr. CHESTER. I respectfully decline to answer on the ground that to do so may tend to incriminate me.

The CHAIRMAN. Take the exhibits away.

Proceed with the questioning.

Mr. KENNEDY. I am finished with this man.

The CHAIRMAN. Are there any further questions from any member of the committee?

The Chair orders and directs that you remain under the same subpoena that you appeared under here today. Your further testimony may be needed by this committee. In the meantime, you are ordered to return, upon reasonable notice. Do you accept that recognizance and agree to reappear and further testify before the committee upon reasonable notice?

Mr. MANDELBAUM. May I state to you, Mr. Chairman, that this witness is here under control, pursuant to direction of Judge Muller. Upon his return to New York, he is required to present himself to the city prison within 24 hours after his engagement here terminates.

The CHAIRMAN. All right. This order holds whenever he regains his freedom, even out on bond. Of course, if he is in jail, if he is in the penitentiary, he couldn't comply, and, therefore, he would not be in contempt of the committee, as you and I will agree as lawyers.

Mr. MANDELBAUM. Thank you, sir.

The CHAIRMAN. You may stand aside.

The committee will take a 5-minute recess.

(Thereupon, a brief recess was taken.)

(Select committee members present at the taking of the recess were: Senators McClellan, Ives, Mundt, and Curtis.)

(Members present at the convening of the session after the recess: Senators McClellan and Curtis.)

The CHAIRMAN. The committee will come to order.

Judge Harold Krieger, come forward, please.

Will you be sworn, please?

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. KRIEGER. I do, sir.

TESTIMONY OF HAROLD KRIEGER

The CHAIRMAN. The Chair wishes to announce that Judge Krieger is actually being called out of order in order to accommodate him. He has a legal matter somewhere else tomorrow.

We are doing this, Judge, to accommodate you.

Would you please give your name, your place of residence, and business or occupation?

Mr. KRIEGER. Harold Krieger, residence 333 Fairmont Avenue, Jersey City, N. J., and I am an attorney of that State. I am a lawyer.

The CHAIRMAN. I called you judge. I seemed to have the impression that you have served as a judge at some time.

Mr. KRIEGER. Yes, that is true, sir.

The CHAIRMAN. We will continue to recognize that fact.

Mr. KRIEGER. Thank you, sir.

The CHAIRMAN. Of course, being an attorney, you waive the right of counsel, I assume?

Mr. KRIEGER. Yes, sir.

The CHAIRMAN. All right, Mr. Kennedy, you may proceed.

Mr. KENNEDY. Do you also work for one of the city governments in New Jersey, did you?

Mr. KRIEGER. I did, sir.

Mr. KENNEDY. Where did you work?

Mr. KRIEGER. I was an assistant corporation counsel of the city.

Mr. KENNEDY. What city?

Mr. KRIEGER. Jersey City.

Mr. KENNEDY. Jersey City?

Mr. KRIEGER. Yes.

Mr. KENNEDY. When did you have that position?

Mr. KRIEGER. 1949 to 1955.

Mr. KENNEDY. And you are a judge now or were a judge?

Mr. KRIEGER. Yes.

Mr. KENNEDY. You are a judge now?

Mr. KRIEGER. Well, I still have a term to run.

Mr. KENNEDY. What kind of a judge?

Mr. KRIEGER. Municipal court.

Mr. KENNEDY. Judge Krieger, you know Mr. Johnny Dioguardi?

Mr. KRIEGER. I know him like I know a lot of other people. He was an international representative for the UAW. He was regional director for that organization when I met him.

Mr. KENNEDY. What were the circumstances under which you met him?

Mr. KRIEGER. I can't recall. It may have been some affair or someplace, I saw him around, and he was identified as being regional director for the UAW. That goes back a number of years ago, or some time ago anyway.

Mr. KENNEDY. You had some connection with the granting of the charter to local 355 of the UAW?

Mr. KRIEGER. Well, I don't think I had a connection with the granting of it; 355 had applied for a charter and it was granted to them. They had organized a group of workers, some two-hundred-odd workers, I think it was, and they applied for a charter, and they secured a charter.

Mr. KENNEDY. That is not the complete story, is it, Mr. Krieger, as far as you know?

Mr. KRIEGER. What do you mean that is not the complete story?

Mr. KENNEDY. Well, I am asking you for your knowledge about it. Is that the end of it?

Mr. KRIEGER. My knowledge is the fact that two of the individuals who were organizing certain workers in a shop had succeeded in organizing a couple of hundred workers, and they had come in, and said they wanted to apply for a charter.

Mr. KENNEDY. Who did they come in to?

Mr. KRIEGER. They came in to see me.

Mr. KENNEDY. Why did they come in to see you, Harold Krieger, over in Jersey City?

Mr. KRIEGER. Because I represented several organizations, and they knew of me, I assume.

Mr. KENNEDY. How would they know of you? How would two people who wanted to get a charter from the UAW-AFL come to Jersey City to see Harold Krieger?

Mr. KRIEGER. I can't answer as to why they would come to me. I can say that they did come to me.

Mr. KENNEDY. Were you not surprised when they walked in the door?

Mr. KRIEGER. You are not surprised when anyone comes in to talk to you about a matter. I think one of them was an organizer for some other union before he organized these workers.

Mr. KENNEDY. Do you not think the proper procedure for them would have been to write a letter to the international or go see Johnny Dioguardi? Why would they come over to Jersey City to see Harold Krieger to get a charter?

Mr. KRIEGER. I don't know of any particular reason, other than one of the individuals, I think, was an organizer for some other union. He may have known of me. I don't recall knowing him, but he may have known me. He came in to see whether or not I would assist him in drafting his papers. Also, at that particular time, he was in the midst of organizing a shop. As I indicated to you, he wanted to apply for a certification for the employees, and file—

Mr. KENNEDY. What shop was it?

Mr. KRIEGER. This goes back about 3 years ago, 4 years ago. Some Roto shop?

Mr. KENNEDY. Roto-Broil?

Mr. KRIEGER. Roto-Broil shop.

Senator CURTIS. In what State was that shop?

Mr. KRIEGER. That was in New York.

Senator CURTIS. Are you licensed to practice in New York?

Mr. KRIEGER. I am admitted in the eastern district and admitted in the southern district of New York, both of those districts.

Mr. KENNEDY. Did you understand at that same time there were two unions in Roto-Broil that were trying to get certification?

Mr. KRIEGER. During the hearing—

Mr. KENNEDY. Wait a minute. You are moving ahead.

Did you understand when they came over to see you?

Mr. KRIEGER. I don't know if I knew at that time or if they knew at that time that there was any union in there at that moment.

Mr. KENNEDY. Had you ever done any work for Roto-Broil?

Mr. KRIEGER. No, I did not.

Mr. KENNEDY. Do you know Mr. Zwillman from New Jersey?

Mr. KRIEGER. Well, I know a lot of people, Mr. Kennedy.

Mr. KENNEDY. I am asking if you know him.

Mr. KRIEGER. I have met him, too.

Mr. KENNEDY. Did he have an interest in Roto-Broil?

Mr. KRIEGER. Not that I know of. I have no knowledge of it.

Mr. KENNEDY. Do you think it possible that he might have?

Mr. KRIEGER. I have no knowledge.

Mr. KENNEDY. Did he ever speak to you about it?

Mr. KRIEGER. He never spoke to me about it, sir.

Mr. KENNEDY. He never spoke to you?

Mr. KRIEGER. No, sir.

Mr. KENNEDY. Did he ever speak to you about the granting of this charter?

Mr. KRIEGER. No, sir; he never spoke to me about it at all.

Mr. KENNEDY. These two individuals came over to see you. Can you give us their names?

Mr. KRIEGER. One was Tolkow, and if my recollection serves me right, the other individual's name was Mas, M-a-s-s, I think.

Mr. KENNEDY. That is Benny Mas?

Mr. KRIEGER. Benny was the first name.

Mr. KENNEDY. He was a Puerto Rican friend of Tolkow?

Mr. KRIEGER. I don't know if he was a Puerto Rican or not.

Mr. KENNEDY. Did you know anything about Tolkow's background?

Mr. KRIEGER. I said I understood he was an organizer for some other union.

Mr. KENNEDY. Did you understand he had been in the Communist Party?

Mr. KRIEGER. No, sir, I did not.

Mr. KENNEDY. Did you go into that at all?

Mr. KRIEGER. He never mentioned that at all, and I never had the occasion to ask him, because if my recollection serves me right, he filed—I can't say that he did file an affidavit. I don't know. I assumed he filed a non-Communist affidavit.

Mr. KENNEDY. With whom?

Mr. KRIEGER. With the Government. I assume so.

Mr. KENNEDY. When he came over to see you, did you then go to Mr. Johnny Dioguardi about the charter?

Mr. KRIEGER. To my recollection, a letter was sent to the office requesting an application.

Mr. KENNEDY. Did you vouch for these two individuals?

Mr. KRIEGER. Well, I don't think it was a question of vouching. I didn't vouch for anyone. I sent in the information that they had given me to send in, together with a list of names, and I think there were some twenty or some odd names of people that they had organized, and the application was made for them.

Mr. KENNEDY. Did you take an interest in it after that?

Mr. KRIEGER. I represented them for a very short time after that, and then I had disassociated myself completely.

Mr. KENNEDY. Were you paid a fee by them?

Mr. KRIEGER. Well, frankly, I don't think they ever paid me. They owed me some money or they were in bad financial circumstances and hadn't paid any fees up to then nor since then.

Mr. KENNEDY. Do you not have any idea as to why they came over to see you in Jersey City?

Mr. KRIEGER. Not offhand, no. A lot of people come in for you to represent that you have not met before and may have been recommended to you.

The CHAIRMAN. Who recommended these people to you or you to them?

Mr. KRIEGER. I don't recall offhand if there was a recommendation, because I don't recall them mentioning anybody sending them in or recommending them specifically. You see, this goes back, Senator, about 4 years ago.

The CHAIRMAN. I understand.

Did you do this legal work for them?

Mr. KRIEGER. I represented them in this National Labor Relations Board hearing proceeding.

The CHAIRMAN. And you got no fee?

Mr. KRIEGER. They were to pay a fee, and they claimed that they were financially embarrassed, and that the organizers had not received any salaries, or were not receiving any salaries, and if I would bear with them, and I said I would.

The CHAIRMAN. I do not challenge your statement, but I do say it is most unusual a lawyer representing strangers without a fee.

Mr. KRIEGER. Senator, that happens sometimes, and, frankly, that is why I didn't continue to represent them, because I wasn't getting paid any moneys, and they were taking up some time.

Mr. KENNEDY. Could he identify this document?

The CHAIRMAN. The Chair presents to you a labor organization registration form under Public Law 101-80th Congress, regarding Amalgamated Local 355. It is dated December 28, 1953. I will ask you to examine this document, this photostatic copy of the original, and also examine attached to it a photostatic copy of a letter dated December 23, 1953, addressed to the Bureau of Labor Standards. The letter purports to be signed by you.

Would you examine the two? Examine the form first and the letter second, and state whether you identify them.

Mr. KRIEGER. Well, it is a letter on my stationery, but I don't think that this is my signature on it. It may have been someone in the office who would sign the letter, one of my staff who signed the letter. It is forwarding a registration form to the Department of Labor.

The CHAIRMAN. Do you recognize the form? Was that document prepared in your office by you?

Mr. KRIEGER. I assume that it was, Senator; I assume that it was. I have no present recollection, but I assume that it was. It is a photostatic copy of a letter on my stationery, though the signature, as I indicated before, was not mine.

The CHAIRMAN. I believe you would know that. Is it your signature?

Mr. KRIEGER. No; it is not, sir. Definitely, I don't recognize it as being mine. I can show you my signature and this.

There would seem to be a difference, unless it has changed to that extent.

The CHAIRMAN. The form may be made exhibit No. 37 and the letter will be made exhibit No. 37-A.

(The documents referred to were marked "Exhibits 37 and 37-A" for reference and will be found in the appendix on pp. 4005-4007.)

The CHAIRMAN. I will ask you to look at the form and see what address, permanent address, you gave to that local that that form applies to.

Mr. KRIEGER. Senator, the address is indicated as my address of my office. Might I say this: That it is not unusual when a new local starts, and they haven't got any office facilities, that you permit them to use, for the purpose of mailing, your address, so that the communications can be addressed to you.

The CHAIRMAN. I thought maybe that would recall a little more the transaction.

Mr. KRIEGER. No. As I said before, I don't doubt the fact that this was prepared in the office, and I don't doubt the fact that it was signed in my office, and the fact that one of my staff wrote my name upon it, upon sending the form out.

The CHAIRMAN. Proceed.

Mr. KENNEDY. What did you do when they came over there? Did you get in touch with Johnny Dio at that time?

Mr. KRIEGER. My recollection was that there was a reference made to send this to the regional office and he was in charge of the regional office, and that a request was made for an application and the application was completed and returned.

Now, whether it was returned to the regional office or to the principal office, I cannot recall.

The CHAIRMAN. Had it gone to the regional office, it would have gone to Dio?

Mr. KRIEGER. I assume so, because he was the regional director.

Mr. KENNEDY. How did you know he was regional director?

Mr. KRIEGER. It was common knowledge. It was common knowledge.

Mr. KENNEDY. Was Dio during this period of time a client of yours?

Mr. KRIEGER. No, sir.

Mr. KENNEDY. Were you doing any work for him?

Mr. KRIEGER. No, sir.

Mr. KENNEDY. Did you afterward do any work for him?

Mr. KRIEGER. I don't recall ever representing him, sir.

Mr. KENNEDY. Did you represent any of his other unions?

Mr. KRIEGER. I recall representing another local union, I think, in some labor relations board hearings.

Mr. KENNEDY. That was local 224 that you represented?

Mr. KRIEGER. I think it was local 224. The fact is I don't think I handled the matter personally. I think one of my associates in the office handled the matter.

Mr. KENNEDY. Did Mr. Dio refer them to you?

Mr. KRIEGER. Not that I recall, sir.

Mr. KENNEDY. How did you happen to come to represent them?

Mr. KRIEGER. My recollection was that there was a council at the time, and they were part of the council, local 224, and I assume that they may have known that I was handling this case with this Roto-Broil before the board, and they came in and asked if I would handle that matter, which I did. By the way, they paid the fee.

Mr. KENNEDY. They did pay. Did you get a fee for that?

Mr. KRIEGER. Yes.

Mr. KENNEDY. Did you have any connection with 355 after that, after going through the sending of their application into Johnny Dio?

Mr. KRIEGER. As I said, I handled the matter before the National Labor Relations Board for them.

Mr. KENNEDY. Do you know where the money to start their union came from?

Mr. KRIEGER. I don't follow you, sir.

Mr. KENNEDY. When they started their union, local 355, they deposited some money in the bank. Do you know where that money came from?

Mr. KRIEGER. No; I wouldn't know, sir.

Mr. KENNEDY. You haven't any idea of that?

Mr. KRIEGER. No, sir.

Mr. KENNEDY. Did Mr. Tolkow have some money at that time, enough money to start the union?

Mr. KRIEGER. I don't know. If he did, he didn't mention it to me.

Mr. KENNEDY. You had no connection with it after that?

Mr. KRIEGER. No, sir; they had then went out of the organization or something. I don't know what happened.

Mr. KENNEDY. You have no explanation as to why they came over to see you?

Mr. KRIEGER. I don't know offhand if they were recommended or came in on their own volition or someone mentioned it. I don't know.

Mr. KENNEDY. You got in touch with Dio to get them a charter or did you get in touch with the international?

Mr. KRIEGER. I said my recollection was that we wrote a letter to either the regional office or the main office, and I don't recall which it was, in which we requested a charter. We sent in the applications that they had, that these boys had from these employees—

Mr. KENNEDY. And you didn't know anything about their background, yet you did all of this work for them?

Mr. KRIEGER. I didn't know anything about their background, no, but frankly they appeared to be very honest and sincere in their efforts, and conscientious in what they were doing.

The fact is, if I recall correctly, Mr. Washburn, who was the international president, gave them a special letter telling them how pleased he was in the work they were doing, and that he had found that they weren't connected with this Mr. Dioguardi.

Mr. KENNEDY. But originally, when they came in, you didn't know where they came from, you knew nothing about them, according to

your testimony, and yet you went and obtained a charter for them from Johnny Dioguardi?

Mr. KRIEGER. When you say I obtained, I didn't obtain it. It was granted to them.

Mr. KENNEDY. Through your efforts.

Mr. KRIEGER. I don't think it was through my efforts. They had organized the people. They organized some 200 people.

Mr. KENNEDY. If that was true, they could go to Johnny Dio themselves.

Mr. KRIEGER. No doubt they could have. Without a question of doubt they could have done that. But they merely wanted some assistance. They also had the situation where they were going to file for certification for these employees who they had organized.

Mr. KENNEDY. Do you know any of the officials from Roto-Broil?

Mr. KRIEGER. No, excepting an individual that I met during the hearings.

Mr. KENNEDY. You don't know Irving Jacobsen?

Mr. KRIEGER. I wouldn't know the name, sir. I met a man during the hearings. He appeared as one of the owners or the owner of Roto-Broil. In fact, I saw him here for the first time since the day of the hearing 4 years ago.

Mr. KENNEDY. Do you know Albert Klinghoffer?

Mr. KRIEGER. The name doesn't mean a thing to me, sir.

Mr. KENNEDY. Do you know him?

Mr. KRIEGER. I don't know him. I may know the individual if I saw him. He may have appeared at the hearing, if that is an individual with the company. I don't know.

Mr. KENNEDY. Did you ever discuss the contract with Roto-Broil?

Mr. KRIEGER. Never discussed the contract, never negotiated the contract, never had anything to do with it. I understand there was another attorney that represented that local 355 after that.

Mr. KENNEDY. What was your position when Tolkow and Mas came over to see you? Were you just a private attorney?

Mr. KRIEGER. Yes, sir.

Mr. KENNEDY. Were you working for the city at that time?

Mr. KRIEGER. Yes, sir; I was.

The CHAIRMAN. Did you receive a letter in—when was the application made?

Mr. KENNEDY. December 31, 1953, is when the charter was issued.

The CHAIRMAN. December 31, 1953?

Mr. KENNEDY. That is right.

The CHAIRMAN. Did you, then, within 3 or 4 months thereafter, receive notice that that charter was cancelled?

Mr. KRIEGER. Yes. There was a letter sent by Mr. Washburn, as I indicated before, and he had made an investigation. After he had made an investigation, he reinstated the charter immediately. In fact, a definite representation was made that these boys of 355 were not a part of any other organization, and he had investigated and found that Mr. Dioguardi was not in control of that local union. He so stated in a letter, after his own personal investigation.

Frankly, Senator—

The CHAIRMAN. So stated to you?

Mr. KRIEGER. So stated in a letter.

The CHAIRMAN. To whom?

Mr. KRIEGER. To the local.

The CHAIRMAN. Did you receive a copy of that letter?

Mr. KRIEGER. I received a copy, I don't think from Mr. Washburn. I think I got it from the local union. That is my best recollection.

The CHAIRMAN. I see Mr. Washburn apparently wrote you, and if there is anything wrong with this you can correct it, personally on April 22, 1954, in which he said:

Enclosed is copy of the letter addressed to Johnny Dioguardi which is self-explanatory—

and he asks you if you are still connected in any way with Local 355, UAW-AFL.

You are herewith requested to return to me immediately the charter, supplies, and any other documents with respect to said Local 355, UAW-AFL.

Did you reply to that letter?

Mr. KRIEGER. Yes, sir; I am quite certain I did.

The CHAIRMAN. You received it and you replied to it?

Mr. KRIEGER. Yes, sir.

The CHAIRMAN. At that time, did you have any connection with 355?

Mr. KRIEGER. At that time, they had come in—I received the letter directly, I think that is my recollection, I received the letter. I think that they may have also received a letter.

A reply was sent to Mr. Washburn stating that there was no connection in any respect as far as control over 355, that there was an independent local union as far as any relationship with Mr. Dioguardi was concerned, excepting Mr. Dioguardi was the UAW representative at the time.

Mr. Washburn came into New York, if my recollection serves me right, and he made an investigation. After his investigation, he wrote a letter in which he reinstated the charter. I think that was one of the only charters that was reinstated at the time.

The CHAIRMAN. If Dioguardi was the regional director, then he would have some connection with it: would he not?

Mr. KRIEGER. Well, I assume that he would have connection only insofar as he was in charge of the area for the international. As far as the internal affairs of a local union, I assume that an international has a right to send in a representative to watch the progress of a local union, and to determine what progress it has made. I assume in that respect he would have that type of a connection.

The CHAIRMAN. I would assume, and the record here probably discloses, that at that time, April 22, 1954, Dioguardi was the regional director, and that is why you sent a letter to him.

Mr. KRIEGER. I think he was.

Prior to that time, I think he had been removed by Mr. Washburn, if my recollection serves me right.

Mr. KENNEDY. I think, if I may say so, it is a little confused. In the first place, Mr. Washburn did not reinstate the charter of local 355. That charter was reinstated by the action of the international executive board.

Mr. KRIEGER. Well, when I say Mr. Washburn, I assume that he had recommended to the international executive board because, Mr. Kennedy, I think, if you will check, you will find that Mr. Washburn

personally wrote a letter in which he reinstated the charter as president. That is my recollection.

Mr. KENNEDY. He lifted the charter. The board overruled him and he resigned. The board was the one that overruled him and reinstated the charter. I think you are mixed up on the letters, too.

Mr. KRIEGER. Mr. Kennedy, I think you will find that 355 was the only local that was reinstated by him.

Mr. KENNEDY. Mr. Washburn did write a letter. He wrote a letter on May 6, 1954, and he wrote a letter about a union in which he said union affairs were in good condition. But that letter was in connection with local 224, which you represented, not local 355.

Mr. KRIEGER. 355, too, I am quite certain, Mr. Kennedy, you will find that he personally reinstated it after the investigation. That is my best recollection.

Mr. KENNEDY. Your recollection is not in accordance with the documents.

Mr. KRIEGER. Well, I will check.

The CHAIRMAN. You may check it.

According to our records here, and I think I can state to you this was taken from the files of the union, the international union; is that correct?

Mr. DUNNE. That is correct.

The CHAIRMAN. A copy of a letter we obtained from there, dated May 6, refers only to local 224.

Mr. KENNEDY. Here is the action from a document.

The CHAIRMAN. Has this been introduced in evidence?

Mr. KENNEDY. That is from the international.

The CHAIRMAN. This is not evidence in the file yet. It has not been placed in the record, but I can say to you, just for your guidance, that these are from the files of the international union.

Mr. KRIEGER. Well, Senator, I don't know whether this will help or not, but I find a letter that is not dated, but it is addressed to Amalgamated Local No. 355, UAW-AFL. "Dear Sir and Brothers."

Mr. KENNEDY. What is the address?

Mr. KRIEGER. It says "Copy" across it. Whether I received this from Tolkow, that he made a copy of what he received, I don't recall. It says:

Upon investigation I have found that local 355 has had no connection with Johnny Dioguardi or his organization. My investigation also shows that the local union and its leaders are doing a commendable job of organizing legitimate labor organization.

In view of the above, I am hereby reinstating the charter of Local 355, UAW-AFL, and sincerely hope that the present campaigns will be successful, and please be assured that your endeavors has the complete support of the international union.

Fraternally yours,

LESTER WASHBURN,
International President.

THE CHAIRMAN. What date is that?

Mr. KRIEGER. As I said before, it doesn't appear to have a date on it, sir.

The CHAIRMAN. If you had it, they must have the original.

Mr. KRIEGER. I assume that the international union has the original.

The CHAIRMAN. To whom is it addressed?

Mr. KRIEGER. It is addressed to the local union.

The CHAIRMAN. And it did not give your office address?

Mr. KRIEGER. No, sir.

The CHAIRMAN. In fact, it gives no address?

Mr. KRIEGER. No, sir. I think at that time that they had their own offices, that they opened up offices and had offices of their own already.

Senator CURTIS. Where did you get that copy?

Mr. KRIEGER. Pardon?

Senator CURTIS. Where did you get that copy?

Mr. KRIEGER. I said I assumed it was sent in by the local union to my office for my files.

Senator CURTIS. Does it appear to be a carbon copy?

Mr. KRIEGER. It appears to be a carbon copy, sir. No; I can't say. It may be typed off originally.

Senator CURTIS. Has it been folded?

Mr. KRIEGER. Yes, sir.

Senator CURTIS. Was it received in the mail?

Mr. KRIEGER. I assume so. That is the only thing I can say. I don't know whether it was received in the mail or not, but it has been folded the way a letter would be folded. It has the creasing across it.

Senator CURTIS. How long have you had it?

Mr. KRIEGER. I don't know. It is part of the file. I assume I have had it since the time it was sent in, which may have been 2 or 3 years. Three years, I guess it must have been.

Senator CURTIS. You don't know how long you must have had it?

Mr. KRIEGER. No, sir.

Mr. KENNEDY. This really adds to the mystery a little bit; is that correct, that John Dioguardi had nothing to do with this local union?

Mr. KRIEGER. Well, that is what he says in his letter.

Mr. KENNEDY. If Johnny Dioguardi had nothing to do with the local union, then it is completely your local union.

Mr. KRIEGER. No; it is not.

Mr. KENNEDY. How could that be? If he was not responsible for it, you are the one that they approached.

Mr. KRIEGER. I assume the connection intended there was control over the local union. I assume that is the reason some of these charters were taken, because of the question of control. I assume that Mr. Washburn had taken the position that some of these unions, from what his correspondence was, were probably considered Mr. Dioguardi's, or he may have been head of them or part of them, and that this local union was not, in that it had autonomy in that respect.

Mr. KENNEDY. How did you meet Johnny Dio?

Mr. KRIEGER. As I said before, I don't recall.

Mr. KENNEDY. Who introduced you to him?

Mr. KRIEGER. That I couldn't possibly recall. He was at affairs, and I don't recall which affair it was. He was an international representative. He was in charge of the East or something.

Mr. KENNEDY. Like what affairs was he at?

Mr. KRIEGER. Probably labor affairs, dances, conventions, or something. I can't recall where it would be.

(At this point Senator Goldwater entered the hearing room.)

Senator CURTIS. When did you first meet him?

Mr. KRIEGER. I can't fix a date. I wouldn't know. I would say——

Senator CURTIS. Can you fix the year?

Mr. KRIEGER. In the 1950's, sometime.

Senator CURTIS. Early 1950's?

Mr. KRIEGER. Probably early 1952, 1953.

Senator CURTIS. 1952 or 1953?

Mr. KRIEGER. I would say around there.

Senator CURTIS. When was this union organized?

Mr. KRIEGER. This organization was sometime in the latter part of 1953 or the early part of 1954.

Senator CURTIS. So you had met him a year or two before that?

Mr. KRIEGER. No. If I met him in 1953, it wouldn't be a year or two. It would be in that same year.

Senator CURTIS. Did you ever meet him in New Jersey?

Mr. KRIEGER. I don't recall ever meeting him in New Jersey.

Senator CURTIS. Did you ever meet him in New York?

Mr. KRIEGER. I may have.

Senator CURTIS. Well, did you?

Mr. KRIEGER. I can't recall. As I said, there are affairs held in New Jersey, there are affairs held in New York, and there are affairs held at various other places that you may attend.

Senator CURTIS. Did you ever meet him socially?

Mr. KRIEGER. Not that I can recall, excepting at these types of affairs, if you want to call them social affairs. But if you mean whether or not I personally, I can't recall any.

Senator CURTIS. Did you ever have a conversation with him?

Mr. KRIEGER. Conversations? Speaking to him, do you mean? Yes; I spoke to him.

Senator CURTIS. And did you have conversations on several occasions with him?

Mr. KRIEGER. I probably did. I would say I may have spoken to him several times.

Senator CURTIS. And these conversations would be at various places?

Mr. KRIEGER. At various places.

Senator CURTIS. Extending over some time before this union was formed?

Mr. KRIEGER. That I can't say. I don't know how long. I mean, how many conversations I may have had with him before this local union was chartered. I can't say, sir.

Senator CURTIS. You recognized him when you saw him?

Mr. KRIEGER. I would recognize him, surely.

Senator CURTIS. And he would recognize you?

Mr. KRIEGER. That I can't answer. I assume so.

Senator CURTIS. How would he address you?

Mr. KRIEGER. I can't recall how he would address me, whether he would call me mister or what he would call me, or by my first name. I don't recall.

Senator CURTIS. You produced this letter out of your files. It said that Mr. Washburn found that Johnny Dioguardi didn't control this union, and, therefore, he was returning the charter, or reinstating the charter.

Mr. KRIEGER. Reinstating it, I think it was, Senator.

Senator CURTIS. Why would a connection with Johnny Dioguardi invalidate a labor union charter?

Mr. KRIEGER. I don't know, personally, excepting if I recall correctly at that particular time Mr. Washburn had removed Mr. Dioguardi as the international representative, I believe.

Senator CURTIS. The mere fact that he had been removed, was that it? Do you say the fact that he had been removed from his position was the only disqualifying thing that you know of?

Mr. KRIEGER. Well, I wouldn't know, because it would be something that the international would do. What their reasons may have been, I wouldn't know, sir.

Senator CURTIS. You knew of no reason that would disqualify him?

Mr. KRIEGER. I personally would know of no reason which would qualify him or disqualify him.

Senator CURTIS. Did you ever do business with or for Dioguardi?

Mr. KRIEGER. I don't ever recall representing him in any manner, sir.

Senator CURTIS. Did you ever do any business with him, whether you represented him or adverse interests, either one?

Mr. KRIEGER. I don't ever recall representing him or not representing him.

Senator CURTIS. I didn't ask you that. Did you ever transact any business with him.

Mr. KRIEGER. When you say business, do you mean by representing him, Senator?

Senator CURTIS. No. You don't have to represent someone to transact business with him. Did you ever transact business with him?

Mr. KRIEGER. No, I had no business dealings with him.

Senator CURTIS. Or professionally?

Mr. KRIEGER. Nor professionally.

Senator CURTIS. That is all for the moment.

Mr. KENNEDY. I want to point out by this letter that the English isn't very good in it.

Mr. KRIEGER. I noticed that.

Mr. KENNEDY. In all the other letters he writes, they make reasonable sense. For instance,

My investigation also shows that the local union and its leaders is doing a commendable job.

The third paragraph:

In view of the above, I am hereby reinstating the charter of local 355 UAW-AFL and sincerely hope that the present campaigns will be successful, and please be assured that your endeavors has the complete support.

Mr. KRIEGER. I noticed that, sir.

Mr. KENNEDY. Did you talk to Mr. Washburn?

Mr. KRIEGER. Yes, sir.

Mr. KENNEDY. You talked to him about 355?

Mr. KRIEGER. Yes, sir.

Mr. KENNEDY. After he lifted the charters?

Mr. KRIEGER. After he lifted the charters.

Mr. KENNEDY. So you remained interested in this local?

Mr. KRIEGER. Well, he reinstated. They had cases pending before the National Labor Relations Board, and I had completed those

cases or had gone as far as I think I could at the time, and I think they were withdrawn, petitions were withdrawn. Several petitions were filed by several unions involved, and all petitions were withdrawn. I think that is what eventually happened.

Mr. KENNEDY. You were doing all of this for nothing?

Mr. KRIEGER. I did considerable work, but I was not paid. Am I happy about not being paid? No.

Mr. KENNEDY. You did speak to Lester Washburn about getting this charter?

Mr. KRIEGER. Yes, sir.

Mr. KENNEDY. And you represented this union later on?

Mr. KRIEGER. For a short period of time, sir, a very short period of time.

Mr. KENNEDY. And you never knew anything about Mas or Tol-kow's backgrounds?

Mr. KRIEGER. I don't recall knowing anything about them before that, sir.

Mr. KENNEDY. Do you think it is a little mystifying, your actions, as far as local 355?

Mr. KRIEGER. No, because clients will come in, people will come in.

Mr. KENNEDY. I understand, but all of the things you did—

Mr. KRIEGER. I didn't do so many. I only represented them in two matters.

Mr. KENNEDY. Have there been any other situations like this where you represented—

Mr. KRIEGER. I couldn't recall. I couldn't recall representing somebody like this.

Mr. KENNEDY. These people come over from New York, and you say Johnny Dioguardi is well known as regional director, and these two individuals come into your office in Jersey City and say, "We want to get a charter." Then you get in touch with Johnny Dioguardi and recommend that these people get a charter. They get a charter. You continue to be interested in them. Their charter is lifted. You go to the president of the International UAW, ask for the charter to be reinstated, and you continue to represent them after that all for zero?

Mr. KRIEGER. I didn't anticipate representing them for zero. I anticipated getting paid.

Mr. KENNEDY. Did you have a contract?

Mr. KRIEGER. No.

Mr. KENNEDY. How much were you going to get paid?

Mr. KRIEGER. I intended getting a reasonable fee for the services performed. But they claimed they didn't have the funds to pay.

The CHAIRMAN. Did you ever send them a bill?

Mr. KRIEGER. No, I did not. I think we left on the note that I wasn't going to handle any more work for them, and I left it that way.

The CHAIRMAN. They just thanked you for the work?

Mr. KRIEGER. They didn't even thank me.

The CHAIRMAN. You didn't get a thanks?

Mr. KRIEGER. No, sir.

Senator CURTIS. What labor unions do you now represent?

Mr. KRIEGER. I represent a few, sir. Not many.

Senator CURTIS. What are they? Name them.

Mr. KRIEGER. I don't know whether that is fair, to ask me the local unions I represent.

The CHAIRMAN. There is nothing to be ashamed of.

Mr. KRIEGER. It is nothing that I am ashamed of, sir. I am not ashamed. But I don't know whether it is fair to them. That is what I am thinking of.

The CHAIRMAN. Well, the investigating subcommittee has had that matter up 2 or 3 times and we have always held that an attorney could be required to state who his clients are and the amount of fee that is paid. You cannot be required to give any confidential information that you receive from your client.

Mr. KRIEGER. You can readily appreciate, sir, that it would affect—

The CHAIRMAN. How many do you represent?

Mr. KRIEGER. Not many. I would say 5 or 6 offhand, very few. In fact, I have declined most of them.

The CHAIRMAN. Does the committee want the names of them?

You do not want to give them in public?

Mr. KRIEGER. I prefer not.

The CHAIRMAN. You would give them confidentially?

Mr. KRIEGER. Yes, I would.

Senator CURTIS. Would you add to the list the identity of all unions you have heretofore represented that are not included in that list?

Mr. KRIEGER. I will try to do that, too.

Mr. KENNEDY. Do you know Anthony Doria?

Mr. KRIEGER. I don't know him personally. I don't recall. I may have met him at some affair, but I don't know him personally.

Mr. KENNEDY. Do you know Jimmy Hoffa?

Mr. KRIEGER. I have met him, but that is as far as the relationship would go. I have never represented him.

Mr. KENNEDY. You never have represented him?

Mr. KRIEGER. No, sir.

Mr. KENNEDY. You met him on a number of different occasions?

Mr. KRIEGER. At affairs I would see him, because he is quite a popular individual at labor affairs.

Mr. KENNEDY. Did you meet him and Dio at the same time?

Mr. KRIEGER. I can't recall meeting them together. I can't say. They might have both been at the same affair. I can't say they were not both present, but whether or not they were together I wouldn't know.

Mr. KENNEDY. You have seen them at the same affairs?

Mr. KRIEGER. I think there have been affairs where they were both at.

Mr. KENNEDY. What kind of affairs were these?

Mr. KRIEGER. Labor affairs.

Mr. KENNEDY. Like what?

Mr. KRIEGER. Dances and conventions.

Mr. KENNEDY. You saw Dio, Hoffa and yourself at a dance, you were all at a dance?

Mr. KRIEGER. I wasn't together in that type of a formal fashion. I say it may have been sort of a social affair that a labor organization runs.

Mr. KENNEDY. Was Mr. Zwillman there?

Mr. KRIEGER. Mr. Kennedy, I don't recall seeing Mr. Zwillman at any affair.

Mr. KENNEDY. What about Paul Dorfman? Do you know Paul Dorfman?

Mr. KRIEGER. I think I met him at some affair or another.

Mr. KENNEDY. Was this the same kind of affair?

Mr. KRIEGER. There are many affairs and many conventions that are held, and these people attend them.

Mr. KENNEDY. Did you see all of these people at the same affairs?

Mr. KRIEGER. At the same time? No, I can't say that.

Senator CURTIS. Do you attend a number of labor affairs?

Mr. KRIEGER. I did at one time, sir. I attended a number of them.

Senator CURTIS. Are you presently on the bench?

Mr. KRIEGER. Well, I am not presently serving, sir.

Senator CURTIS. You are not serving?

Mr. KRIEGER. No, sir.

Senator CURTIS. When were you serving?

Mr. KRIEGER. Up until June 20.

Senator CURTIS. Is that an elective office?

Mr. KRIEGER. No, it is an appointive office.

Senator CURTIS. Who appointed you?

Mr. KRIEGER. The commission, the city commission.

Senator CURTIS. It is not appointed by the mayor?

Mr. KRIEGER. The mayor and city commission together.

Senator CURTIS. The mayor and the city commission?

Mr. KRIEGER. Yes.

Senator CURTIS. The mayor is the one that usually prevails?

Mr. KRIEGER. I don't think so, sir. I think this appointment comes under the department of public safety.

Senator CURTIS. Who was the mayor at the time you were appointed?

Mr. KRIEGER. I think Mayor Berry was the mayor at the time.

Senator CURTIS. How much of your time do you now devote to handling matters connected with labor law?

Mr. KRIEGER. Very little time; very little time. Very small time by comparison.

Senator CURTIS. By comparison to your other practice?

Mr. KRIEGER. To my other practice, yes.

Senator CURTIS. Has it always been that way?

Mr. KRIEGER. No, at one time I think I did more labor work than I do today.

Senator CURTIS. And at one time you were the honored guest at a banquet given by labor leaders, were you not?

Mr. KRIEGER. Yes, sir.

Senator CURTIS. How long ago was that?

Mr. KRIEGER. In 1949.

Senator CURTIS. Did you resign from the bench?

Mr. KRIEGER. No, sir.

Senator CURTIS. Why did you leave the bench?

Mr. KRIEGER. Well, you see, the new commission came in and they wanted to reduce the number of courts for economy's sake. They have reduced them from 4 to 2.

Senator CURTIS. That is all.

Mr. KENNEDY. Have you represented Paul Dorfman?

Mr. KRIEGER. No, sir.

Mr. KENNEDY. How about Allan Dorfman?

Mr. KRIEGER. I don't even know him, sir.

Mr. KENNEDY. You don't know him?

Mr. KRIEGER. No, sir.

Mr. KENNEDY. Did you represent Louie Saperstein?

Mr. KRIEGER. I don't recall representing him personally.

Mr. KENNEDY. Do you know him?

Mr. KRIEGER. I know him.

Mr. KENNEDY. You didn't represent him?

Mr. KRIEGER. I think we once in the office drew a contract for the purchase of some property which he didn't consummate.

Mr. KENNEDY. When was the last time you saw Dio?

Mr. KRIEGER. I don't even recall. It is a long time ago. Years, I guess.

Mr. KENNEDY. Last year?

Mr. KRIEGER. No. Longer than that. Several years, I would say.

The CHAIRMAN. Are there any further questions?

Mr. KENNEDY. That is all.

The CHAIRMAN. You may be excused.

Call the next witness.

Mr. KRIEGER. Thank you.

(Members of the select committee present at this point were Senators McClellan, Goldwater, and Curtis.)

Mr. KENNEDY. Mr. Seglin, Stanley Seglin.

The CHAIRMAN. Be sworn, please.

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. SEGLIN. I do.

TESTIMONY OF STANLEY SEGLIN, ACCOMPANIED BY HIS COUNSEL, LEON REICH

The CHAIRMAN. State your name, your place of residence, and your business or occupation, please.

Mr. SEGLIN. My name is Stanley Seglin. I live at 8889 16th Avenue, Brooklyn, N. Y.

The CHAIRMAN. Do you have a paper you want to read?

(The witness conferred with his counsel.)

Mr. SEGLIN. I respectfully decline to answer on the grounds that it may tend to incriminate me.

The CHAIRMAN. Do you mean you are respectfully declining to answer whether you have a paper with you that you want to read on the grounds that it might tend to incriminate you?

Mr. SEGLIN. Mr. Senator, I respectfully decline to answer on the grounds that it may tend to incriminate me.

The CHAIRMAN. The Chair is going to ask you your business or occupation again.

Will you tell us your business or occupation?

Mr. SEGLIN. I respectfully decline to answer on the grounds that it might tend to incriminate me.

The CHAIRMAN. Do you have a lawyer representing you?

(The witness conferred with his counsel.)

The CHAIRMAN. Will you answer that?

Mr. SEGLIN. Yes, sir.

The CHAIRMAN. Thank you. If you had not answered that, you would not have had a lawyer. I will tell you that pretty quickly.

Proceed. Counsel, will you identify yourself?

Mr. REICH. Leon Reich, 141 Broadway, New York 6, N. Y.

The CHAIRMAN. You gave your client good advice when you told him to answer that he had a lawyer.

Mr. REICH. That remains to be seen.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Chairman, our interest in Mr. Seglin is that he is financial secretary-treasurer of local 224 of the UAW, which was one of the UAW locals set up by Johnny Dio. He then became a charter member of local 269 of the International Brotherhood of Teamsters, which you see on the right-hand side as one of the paper locals, so we will want to ask him about that.

He is a trustee of local 362 of the International Brotherhood of Teamsters, which is the bottom teamster local on the right-hand side, another one of the paper locals, and is the one that was controlled out of 649 by Abe Brier, a lieutenant of Johnny Dio's.

He is presently secretary-treasurer of local 224 which is an independent union.

We will start off with Mr. Seglin by his entry into the labor union movement as far as Johnny Dioguardi is concerned, with local 224 of the UAW, Mr. Chairman. We have here the application for affiliation of local 224.

The CHAIRMAN. Mr. Seglin, I have before me what purports to be a photostatic copy of the original charter application, an official application for charter and affiliation for amalgamated charter for local 224.

The charter was granted on September 15, 1953, it appears, and sent to Johnny Dio, New York City. There appears on this charter your name, the fourth from the top, Frank Easton, Leonard Prince, Ben Nandel, Stanley Seglin. It contains a number of others as being among those requesting the charter.

I will ask you to examine this document and see if you recognize it as a copy of the application which you joined with others in filing for the charter of local 224.

(A document was handed to the witness.)

The CHAIRMAN. Have you examined the document?

Mr. SEGLIN. Mr. Chairman, I respectfully decline to answer on the grounds that it may tend to incriminate me.

The CHAIRMAN. The Chair will state for the record the document is right in front of you. You took it and looked at it. Do you want to look at this further before you are questioned further?

Mr. SEGLIN. Mr. Chairman, I respectfully decline to answer on the grounds that it may tend to incriminate me.

The CHAIRMAN. Would it incriminate you to look at a piece of paper and examine it? That is all I am asking you to do as of the moment.

Mr. SEGLIN. Mr. Chairman, I respectfully decline to answer on the grounds that it may tend to incriminate me.

The CHAIRMAN. Do you refuse to look at that document and examine it under orders of the Chair?

(The witness conferred with his counsel.)

Mr. SEGLIN. Mr. Chairman, I will look at the paper, but I cannot answer any questions in reference to it because it would tend to incriminate me.

The CHAIRMAN. If you do not recognize it, I do not imagine it would tend to incriminate you, do you?

Mr. SEGLIN. Again, Mr. Chairman, I reiterate, I respectfully decline to answer on the grounds that it might tend to incriminate me.

The CHAIRMAN. Proceed, Mr. Counsel, with some other questions.

Mr. KENNEDY. This charter was granted, as you can see from the charter application, Mr. Chairman.

The CHAIRMAN. That document will be made exhibit No. 38, the one that I offered to the witness and which he said he looked at. He declined to answer questions about it.

(The document referred to was marked "Exhibit No. 38" for reference and will be found in the appendix on p. 4008.)

Mr. KENNEDY. As you noted, Mr. Chairman, this was to be sent to Johnny Dio in New York City. This local was established on September 15, 1953, and was established by Mr. Seglin and Mr. Easton.

Mr. Seglin had originally been in the car-wash business, prior to joining the union, as I understand it.

Is that correct, Mr Seglin?

Mr. SEGLIN. Mr. Counsel, I respectfully decline to answer on the grounds that it may tend to incriminate me.

Mr. KENNEDY. You were with the S. and L. Auto Laundry. You were with the S. and F. Auto Laundry, Inc., in 1950, and S. and L. in 1951 and 1952; a partnership in Preston Auto Laundry, Inc., in 1950; and the Jet Minute Auto Laundry during this period of time, also. As I understand it, shortly after you got into the union, local 224, you went immediately to try to organize all of these auto laundry shops; is that correct?

Mr. SEGLIN. Mr. Counselor, I respectfully decline to answer on the grounds that it might tend to incriminate me.

Mr. KENNEDY. I understand that it was for a feeling for the employees of the shop that you felt they should belong to a union.

I was wondering while you were in management, why you did not attempt to get them into a union at that time instead of waiting until you got control of a local union yourself.

For what reason did you wait?

Mr. SEGLIN. Mr. Counselor, I respectfully decline to answer on the grounds it might tend to incriminate me.

Mr. KENNEDY. We had, Mr. Chairman, a Mr. Garren on Friday, who was from some wash shops in the Queens, and he said that the contract that was assigned with local 224, one of the provisions that was in the contract was for a 57-hour week, and the employee was to be paid \$40 for a 57-hour week.

I was wondering if you felt that that was completely fair, Mr. Seglin, and helpful to the employees.

Mr. REICH. Mr. Chairman, may I interpose an objection to that question, if I may, on the ground that that situation, as I understand it, is purely one of intrastate commerce, and would thereby be outside the scope of the purposes for which this committee was created.

The CHAIRMAN. We have no way of knowing that unless your witness will testify. I would not take your word for it.

Mr. REICH. I believe that was indicated by the testimony of Mr. Garren, which has been alluded to.

The CHAIRMAN. We may want to find out if he was mistaken.

Was it intrastate or interstate?

Mr. SEGLIN. Mr. Chairman, I refuse to answer that question on the grounds that it might tend to incriminate me.

The CHAIRMAN. I see. Thank you.

Proceed.

Mr. KENNEDY. Now to come back to my question. Did you feel that signing a contract for a 57-hour week, and to give the employees \$40 and a week's vacation after they worked there a year, did you think that that was a completely proper contract for the employees?

Mr. SEGLIN. Mr. Kennedy, sir, I respectfully decline to answer on the grounds that it might tend to incriminate me.

The CHAIRMAN. The Chair may observe also that whether it is interstate or intrastate would have no bearing, because unions are organized for intrastate and also interstate, and those unions that get the services of the National Labor Relations Board have to comply with certain provisions of the law. This union, as I understand it, did file those reports.

So there is no question but what the committee has jurisdiction over any union that so applies for the services of the National Labor Relations Board, complies with the Federal law for that purpose.

Proceed.

Mr. KENNEDY. In connection with this case, and also in connection with various other of the employers with whom we have consulted and interviewed, we find that most of your contracts are top-down contracts, that you don't go to the employee, but go right to the employer and make the contract with him. Is that the procedure that you follow, Mr. Seglin?

Mr. SEGLIN. Mr. Kennedy, I respectfully decline to answer on the grounds that it might tend to incriminate me, sir.

Mr. KENNEDY. Do you ever consult with the employees themselves to find out if they are interested in joining the union?

Mr. SEGLIN. I reiterate, Counsel, I respectfully decline to answer on the grounds that it might tend to incriminate me.

Mr. KENNEDY. We found, Mr. Chairman, also, something that was of interest to us, that Mr. Seglin became a charter member in local 269 of the teamsters, and that this charter was granted to local 269 just prior to the election in New York City for the presidency of the joint council.

That is 269 of the teamsters.

(At this point, Senator Goldwater withdrew from the hearing room.)

The CHAIRMAN. The Chair hands you another application for a charter of local 269 of the teamsters in which you appear to be one of the applicants. Your name appears on line 3 of this charter, which is a photostatic copy of it, dated November 8, 1955. I will ask you to examine that document and see if you identify it.

(Document handed to witness.)

Mr. SEGLIN. Mr. Chairman, I respectfully decline to answer on the grounds that it might tend to incriminate me.

The CHAIRMAN. I am ordering you to examine the document.

(The witness conferred with his counsel.)

Mr. SEGLIN. Mr. Chairman, I have examined the document.

The CHAIRMAN. All right. Now, do you refuse to testify about it?

Mr. SEGLIN. I decline to answer on the grounds that it might tend to incriminate me, sir.

The CHAIRMAN. You are refusing to testify about the document on the grounds that it might tend to incriminate you; am I correct?

(The witness conferred with his counsel.)

Mr. SEGLIN. Yes, sir.

The CHAIRMAN. I occasionally get an answer.

That document may be made exhibit No. 39.

(The document referred to was marked "Exhibit 39," for reference and will be found in the appendix on p. 4009.)

Mr. KENNEDY. Can you tell the committee how you became an applicant for the charter in local 269 of the teamsters?

Mr. SEGLIN. Counselor, I respectfully decline to answer on the grounds that it might tend to incriminate me.

Mr. KENNEDY. Did you speak to Mr. Johnny Dioguardi prior to this time about becoming a charter applicant for the teamsters union charter?

Mr. SEGLIN. I repeat my answer. I respectfully decline to answer on the grounds that it might tend to incriminate me.

The CHAIRMAN. I would like to ask counsel one question.

I will ask the witness first. Are you now an officer in any labor union, local, or other organization, or other labor group?

Mr. SEGLIN. Mr. Chairman, I respectfully decline to answer on the grounds that it might tend to incriminate me, sir.

The CHAIRMAN. Mr. Counsel, I now ask you the question whether we have information and knowledge that this witness is presently an officer in a labor union.

Mr. KENNEDY. Mr. Chairman, for a while he was a trustee for 362 of the teamsters, and now he has gone back as financial secretary of local 224, which formerly was local 224 of the UAW and is now local 224, independent.

At the present time, it is our understanding that he is financial secretary of local 224, independent, operating in New York City.

The CHAIRMAN. Is it under the AFL-CIO?

Mr. KENNEDY. No. It is an independent union. Its charter was lifted.

The CHAIRMAN. Lifted by the AFL?

Mr. KENNEDY. Lifted after pressure by the AFL-CIO upon the international union, the UAW international.

The CHAIRMAN. All right.

I would like to make this observation. Some people wonder why we waste time here on these witnesses that take the fifth amendment. We are hoping that as a result of these hearings legislation can be enacted that will help labor unions themselves, help the members, the people who work, the people who are being imposed upon, the people who are being robbed by people of that character who take the fifth amendment when they are questioned about their trusteeship in connection with unions.

If the Congress can meet its responsibility in passing legislation, and the members of these unions, where there is virtual slavery by the reason of this character of representation in official responsibil-

ity at the head of the union, maybe we can go a long way toward restoring integrity in these places where the poor working people now, the honest working people, are being imposed upon. I hope we can do that.

It may take a lot of questioning of people like you to let them see the need for some action on their part, too, as well as some need for action on the part of the Congress.

Proceed, Senator CURTIS.

Senator CURTIS. Mr. Witness, the matter of self-incrimination is embedded in our law. You have a right, of course, to avail yourself of it when we inquire into any transaction that you feel would incriminate you. We have a broad field in which to legislate, including the qualifications of people who engage in collective bargaining and other labor practices.

I want to ask you a few questions that do not call for revealing any transaction that you may have had with other labor leaders or with business or with union members.

Where do you now live?

(The witness conferred with his counsel.)

Mr. SEGLIN. 8889 16th Avenue, Brooklyn.

Senator CURTIS. How long have you lived there?

(The witness conferred with his counsel.)

Mr. SEGLIN. Ten years, sir.

Senator CURTIS. When were you born?

(The witness conferred with his counsel.)

Mr. SEGLIN. 1922.

Senator CURTIS. Where?

(The witness conferred with his counsel.)

Mr. SEGLIN. Brooklyn, N. Y.

Senator CURTIS. What schools did you attend? How far did you attend in schools?

(The witness conferred with his counsel.)

Mr. SEGLIN. High school.

Senator CURTIS. You completed high school. What was your first job after leaving school?

(The witness conferred with his counsel.)

Mr. SEGLIN. With due respect, sir, I respectfully decline to answer on the grounds that this might tend to incriminate me.

Senator CURTIS. Why did you choose to go into the labor-union field as a matter of work?

Mr. SEGLIN. Senator Curtis, I respectfully decline to answer on the grounds that it might tend to incriminate me.

Senator CURTIS. That is all, Mr. Chairman.

Mr. KENNEDY. Mr. Chairman, we have just one other matter to take up. We stated that he was an applicant for the charter of local 269 which was granted by the teamsters, which local was intended to vote in the election for the presidency of the joint council of New York City.

He was also listed as a trustee for local 362 of the teamsters. We have some documents there which indicate that.

The CHAIRMAN. The Chair hands you a document entitled "Warehouse and Processing Employees Union Local 362," a photostatic copy of a document, a letter, and it is addressed to joint council 16, Decem-

ber 1, 1955, from Abraham Brier, secretary-treasurer of the union, certifying that you are eligible as trustee to vote, and to serve as a delegate in joint council 16.

Will you examine that, please, and state whether you recognize the document?

(A document was handed to the witness.)

(The witness conferred with his counsel.)

Mr. SEGLIN. Mr. Chairman, I have examined the document. I respectfully decline to answer on the grounds that it might tend to incriminate me.

The CHAIRMAN. That document may be made exhibit No. 40.

(The document referred to was marked "Exhibit No. 40" for reference and will be found in the appendix on p. 4010.)

The CHAIRMAN. I will ask you whether you attended that joint council meeting and if you did vote.

Mr. SEGLIN. Mr. Chairman, I must decline to answer on the grounds that it might tend to incriminate me, sir.

The CHAIRMAN. If people believed that, with as many of you coming here and taking the fifth amendment, they would get the impression that one could not belong to a labor union without incriminating himself; do you not think so?

Mr. SEGLIN. I respectfully decline to answer on the grounds that it might tend to incriminate me, sir.

The CHAIRMAN. I hand you another document, which is a letter from the same man, Mr. Brier, Abraham Brier, secretary-treasurer, joint council 16, dated February 2, 1956, in which it says—

This certifies that the bearer, Stanley Seglin, is an executive board member of local 362 and is entitled to a vote in the joint council.

I will ask you to examine that and see if you identify it.

(A document was handed to the witness.)

(The witness conferred with his counsel.)

Mr. SEGLIN. Mr. Chairman, I have examined the document, as requested, and I respectfully decline to answer on the grounds that it might tend to incriminate me, sir.

The CHAIRMAN. That may be made exhibit No. 40-A.

(The document referred to was marked "Exhibit No. 40-A" for reference and will be found in the appendix on p. 4011.)

The CHAIRMAN. Were you seated as a delegate?

Mr. SEGLIN. I must decline to answer that question, sir, on the grounds that it might tend to incriminate me.

The CHAIRMAN. I think all the people share the belief that I have—that most unions are unions of integrity; that most of them certainly have officials who are men of honor. But it would be a great calamity in this country if all unions had officials that could not give an accounting of their stewardship, who have to feel that it is necessary to invoke the fifth amendment on the grounds that it might incriminate them when you interrogate them about union affairs.

It is a very sad thing. Of course, I do not suppose you feel that you have any conscience or obligations at all to the laboring man. Do you?

Mr. SEGLIN. Mr. Chairman, I respectfully decline to answer that on the grounds that it might tend to incriminate me, sir.

The CHAIRMAN. You would not want to account to the people that you have had the honor—and it may be a dubious honor in this situation—of representing, those that placed their trust in you or those whom you have a responsibility to.

You do not feel under any obligation to report to them or make statements to this committee with respect to how you have discharged your responsibility and duty to them?

You do not feel any obligation to do that?

Mr. SEGLIN. Mr. Chairman, I respectfully decline to answer on the grounds that it will tend to incriminate me, sir.

The CHAIRMAN. If we show you voted in the election of the joint council 16, the one in which Mr. Lacey and Mr. O'Rourke were candidates for the presidency of it, would you then be willing to admit that you did, and would you want to comment on it?

Mr. SEGLIN. Mr. Chairman, I must respectfully decline to answer on the grounds that that may tend to incriminate me.

The CHAIRMAN. In other words, you would take the fifth amendment on the obvious; is that correct?

Mr. SEGLIN. Mr. Chairman, I must decline to answer your question on the grounds that it might tend to incriminate me, sir.

The CHAIRMAN. Proceed, Mr. Counsel.

Mr. KENNEDY. Mr. Chairman, going through the ballots, we find that Mr. Seglin was one of those who had the credentials to vote. An examination of the votes that were impounded at this period of time showed that Mr. Seglin's vote was cast for Mr. John O'Rourke.

I might say in connection with that, that these locals, the 1 that Mr. Seglin was an applicant on its charter and the 1 that he voted in connection with, these locals, the charters were originally requested by Mr. Hoffa in connection with the voting that was to take place in New York City between Mr. Lacy and Mr. O'Rourke and Mr. Seglin's name appears.

He voted beautifully for Mr. O'Rourke.

The CHAIRMAN. Do you know Mr. Hoffa?

Mr. SEGLIN. I must respectfully decline to answer that question on the grounds that it might tend to incriminate me, Mr. Chairman.

The CHAIRMAN. Do you know Mr. Dioguardi?

Mr. SEGLIN. I reiterate, I respectfully decline to answer that question on the grounds that it might tend to incriminate me, sir.

The CHAIRMAN. Do you know your attorney, who is representing you?

Mr. SEGLIN. I decline to answer that question on the grounds that it might tend to incriminate me, sir.

The CHAIRMAN. Are there any further questions?

You will remain under the same subpena. Your testimony may be desired further. You are under recognizance to appear before the committee at such time as it may give you reasonable notice to do so.

Do you recognize that, Mr. Counsel?

Mr. REICH. Yes, I do, Senator.

The CHAIRMAN. And do you?

Mr. SEGLIN. I do, sir.

The CHAIRMAN. And you agree to it?

Mr. SEGLIN. I do, sir.

The CHAIRMAN. You may stand aside.

The committee will stand in recess until 10 o'clock tomorrow morning.

(Whereupon, at 4:47 p. m., the hearing in the above-entitled matter was recessed, to reconvene at 10 a. m., on the following day.)

(Members of the select committee present at the taking of the recess: Senators McClellan and Curtis.)

EXHIBIT No. 1



Official Application

FOR

CHARTER OF AFFILIATION

Under the Jurisdiction of International Union
United Automobile Workers of America

UAW-AFL Amalgamated Local 102-3

12 19 50

TO THE GENERAL EXECUTIVE BOARD, INTERNATIONAL
UNION, UNITED AUTOMOBILE WORKERS OF AMERICA -
GREETINGS

We herewith make formal application for a Charter of Affiliation in the International Union,
United Automobile Workers of America to be issued and numbered under the adopted laws of the
International Union

Nature of Work Done *Auto Service*

Name of Firm *W.A.W. & S. Amalgamated*

Address *Delaplakon Ave New York City, N.Y.*

Number of Employees

We request that the following list of eighteen (18) members be inscribed upon the Charter:

PRINT PLAINLY

102-3
Hph

PAUL DOREMAN
SAM BERGER
SAMUEL LAKMAN
GEORGE SEMELMAYER
SAM SOBEL
SAM EISENBERG
DAVID J KING
GEORGE E. LEWIS
MARIO A. PUGLIESE

JOHN BASS
ALBERT ESPOSITO
THEODORE RAY
RAY ALFINI
ARCHIBALD BUCHANAN
JOHN DWYER
ALBERT JANGEL
JOSEPH MEGLINO
ABRAHAM GOLDBERG

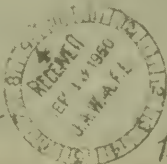
Internally submitted,

Samuel Gatzman
61-30 35 St
N.Y.
Joseph Semelmaier
Recording Secretary

President

Recording Secretary

SEAL



*clerk
misc
9-15-50*

Form A. 2
*copied to desk
9-11-50*

WT
Beck

4-23-51
OK
The

Charter for Local 102 re-issued today listing names on the attached letter head of Local 102. Old charter was destroyed by Anthony Doria. This new charter issued to cover the area of Greater New York and vicinity.

Anthony Doria

EXHIBIT No. 5



MALGAMATED UNION LOCAL 102

AFFILIATED WITH AMERICAN FEDERATION OF LABOR

Office
51 WEST 35TH STREET
NEW YORK 1, N. Y.

Telephone
WISCONSIN 7 9750-1-2

November 17 1951.

Mr. Anthony Maria, Local Treasurer
United Automobile Workers, A. F. of L.
429 West Michigan St.
Milwaukee, Wis.

Dear Tony,

In behalf of the Executive Board and the officers of Local 102, I want to take this opportunity to congratulate you and Brother Anthony on both your re-elections to your respective offices.

I am sure the working men and women of our district stand in both of you and to our International Union.

As per our telephone conversation regarding the names for the Philadelphia Chapter,

- | | | |
|----------------------|--------------|----------------|
| Joseph Burlo | Joseph Burlo | William Gabe |
| Seaside King | William Gabe | W. A. Gabe |
| Harry Reed | William Gabe | James G. Moore |
| John Moore | William Gabe | Thomas Moore |
| Ingoze Mowad | William Gabe | Joe Arnold |
| Raymond P. Dougherty | William Gabe | John Gabe |
| Robert L. Hinkle | William Gabe | Harry Mathews |
| William Lewis | William Gabe | Anthony Gabe |

Hope you will give this matter your immediate attention, and with the warmest regards to your family.

Respectfully yours,

W. A. Gabe
Local 102

AWT

EXHIBIT No. 6

fy - February 28, 1953

Bureau Form No. 44 (Rev. 4/10/49) 4/10/49 July 1, 1952

32214

Labor Organization Registration Form

Public Law 101—80th Congress

To: Bureau of Labor Standards,
United States Department of Labor, Washington 25, D. C.

Section 9 (f) and (g) of the Labor Management Relations Act, 1947 (Public Law No. 101, 80th Congress, 1st sess.), requires that the following information be filed with the Secretary of Labor and kept up to date annually, before the National Labor Relations Board is authorized on petition or charge of a labor organization to take certain action in representation and unfair labor practice cases or in requests for election on a union shop. This report must be filed not only by any labor organization desiring to raise any such question before the Board, but also by any national or international labor organization of which such labor organization is an affiliate or constituent part.

CHECK ONE: First filing Subsequent filing

1. Full name of organization _____
(Name) (Loc. number, if any)
2. Principal business address _____
(Street) (City, zone, State)
3. Name and address of parent national or international union _____
(If none, check)

4. (a) List the names, titles, and compensation and allowances of your three (3) principal officers who served during the preceding fiscal year. Indicate the manner in which they are elected or appointed or otherwise selected.

	Name	Title	Total compensation and allowances for the year	How selected
1.	_____	_____	_____	_____
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____

(b) List the names, titles, and compensation and allowances of all other officers or agents whose compensation and allowances for the preceding fiscal year exceeded \$5,000. Indicate the manner in which such officers or agents are elected or appointed or otherwise selected. If none, check .

	Name	Title	Total compensation and allowances for the year	How selected
	_____	_____	_____	_____

NOTE.—If there has been no change in the information requested in items 5 through 7, inclusive, since the last report filed with the Secretary of Labor, the words "no change" may be used.

5. The initiation fee or fees which new members are required to pay to join union is \$ _____*
6. The regular dues or fees which members must pay to remain in good standing are \$ _____ per _____ (See footnote.)
Month, year (etc.)

*In case of a national or international union, specify any regulation regarding fees or dues.

NOTE.—If additional space needed to answer questions, attach extra sheet of paper marked with corresponding numbers.

7. A copy of the constitution and bylaws of your organization is required to accompany this registration form on the initial filing; it must also be submitted with subsequent filings if it has been amended in any way. Please indicate which paragraphs or sections of your constitution and bylaws show the procedure followed with respect to the items listed below. If your constitution does not cover each of the items specified, a detailed statement explaining the procedure followed by your organization with respect to the items not covered should be attached to this reply form and marked with the corresponding items numbers.

- (a) Qualifications for or restrictions on membership
- (b) Election of officers and stewards
- (c) Calling of regular and special meetings
- (d) Levying of assessments
- (e) Imposition of fines
- (f) Authorization for bargaining demands
- (g) Ratification of contract terms
- (h) Authorization for strikes
- (i) Authorization for disbursement of union funds
- (j) Audit of union financial transactions
- (k) Participation in insurance or other benefit plans
- (l) Expulsion of members and the grounds therefor

8. Submit with this registration a report showing (a) the beginning and closing dates of your fiscal year; (b) all of your receipts of any kind and the sources of such receipts for the fiscal year; (c) your total assets and liabilities as of the end of your last fiscal year; and (d) your disbursements made during such fiscal year, including the purposes for which made.

The annual financial report prepared by most unions may be used for this purpose as long as report contains the above information. Where the union's annual financial report is not used, the following form may be used:

Financial report for preceding fiscal year (12 mos.) from _____ TO _____
(Date) (Date)

Receipts	Disbursements
(1) Dues	(1) Per capita tax and assessments
(2) Fees	(2) Salaries
(3) Fines	(3) Allowances
(4) Assessments	(4) Taxes (Federal and State)
(5) Other (specify) _____	(5) Other (specify) _____
TOTAL	TOTAL
(6) Total assets at end of fiscal year (cash, investments, property, etc.)	
(7) Total liabilities at end of fiscal year (per capita or other taxes owed, other outstanding debts)	
If no outstanding liabilities, check <input type="checkbox"/> .	

I, a duly authorized official of the above-named union, certify that the information submitted herewith is true to the best of my knowledge and belief.

_____ (Date)


 (Signature)

 (Official Position)

If telegraphic service is requested in connection with this filing it must be at your expense.

EXHIBIT No. 7



Official Application

For

CHARTER OF AFFILIATION

Under the Jurisdiction of International Union
United Automobile Workers of America

Affiliated with the American Federation of Labor



January 5th 1963

TO THE GENERAL EXECUTIVE BOARD, INTERNATIONAL UNION, UNITED AUTOMOBILE WORKERS OF AMERICA—
GREETINGS:

We herewith make formal application for a District Council Charter of Affiliation in the International Union, United Automobile Workers of America, to be issued and numbered under the adopted laws of the International Union.

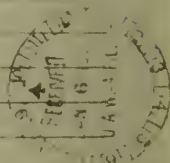
U.A.W. 4.51 Local 1983

Address of Headquarters *719 1st Street, Detroit, Michigan, Room 211*

We request that the following list of eighteen (18) members be inscribed upon the Charter:

PRINT PLAINLY

- | | |
|-------|-------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
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| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |



Fraternally submitted,

Henry Hester
President.

[Signature]
Recording Secretary.

SEAL

AMALGAMATED UNION LOCAL 649

U. A. W. - Affiliated with A. F. of L.

ADVERTISING CONTRACT

Date195

The undersigned hereby agrees to pay \$..... for.....
page advertisement in the SOUVENIR JOURNAL published in conjunction with
the Entertainment and Dance of Amalgamated Union Local 649, U.A.W. to be
held on Friday Evening, February 3, 1956 at Manhattan Center, New York.

RATES

Gold Page	\$500.00
Silver Page	250.00
Full Page	100.00
Half Page	50.00

Name

Address

Ad Selected By



EXHIBIT No. 13

27



APPLICATION FOR CHARTER
IN THE
International Brotherhood of Teamsters, Chauffeurs,
Warehousemen and Helpers of America

HEADQUARTERS
100 Indiana Ave., N. W. Washington 1, D. C.
JOHN F. ENGLISH, General Secretary-Treasurer

City New York, New York

Date October 1, 1959

We, the undersigned Wage-Workers, believing it to be well calculated to improve our economic and social condition and promote our industrial well being and advancement, respectfully petition the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America to grant a Charter to us as representatives of:

Proposed Name of Organization International Brotherhood of Teamsters
Name should include type of craft and workers to be covered.

Jurisdiction New York, New York
City or Cities New York State New York

Business Address Street
(City and State)

Anticipated number of members in Local Union Business Phone No.

We hereby pledge ourselves, individually and collectively, to be governed by the Constitution, Rules and Usages of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, with the reserved right to preserve the autonomy or self-government of our own organization, subject to such rules and regulations as may be made, or are now established in our organization as above named.

Name of Organizer Address

Name of President Address

Name of Secretary-Treasurer Address

1	NAMES OF APPLICANTS	ADDRESSES
1	<u>Edmund Stein</u>	
2	<u>John Smith</u>	
3	<u>Frank Russell</u>	
4	<u>George Jones</u>	
5	<u>Martin White</u>	
6	<u>Harold Thomas</u>	
7	<u>James Watkins</u>	

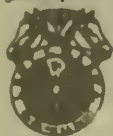
(PLEASE TYPE OR PRINT LEGIBLY NAMES OF APPLICANTS)

Use additional sheets when necessary. Send names of all charter members with this application.

(OVER)

EXHIBIT No. 14

AFFILIATED WITH
 AMERICAN
 FEDERATION
 OF LABOR



WAREHOUSE AND PROCESSING EMPLOYEES UNION
LOCAL 258

International Brotherhood of Teamsters, Chauffeurs, Warehousemen & Helpers of America

10 PARK AVENUE

MOUNT VERNON N Y

MOUNT VERNON 4 2018



December 1, 1955

Joint Council #16
 Martin T. Lacey, President
 265 West 14th Street
 New York, New York

Dear Sir & Brother:

The following are the names and titles of the officers of Local Union #258, and same are requested to be seated as delegates to Joint Council #16.

Sam Getlan	President
Richard Easton	Vice-President
Harry Davidoff	Secy.-Treas.
Manny Baglivi	Recording-Secy.
Anthony Barbera	Trustee
David Koch	Trustee
Charles Kapelowitz	Trustee

Fraternally,

Harry Davidoff,
 Secy.-Treas.

HD:MM

EXHIBIT No. 18

Jan 30, 1954 sub B3 -

Labor Organization Registration Form

Public Law 101 80th Congress

To: Bureau of Labor Standards,
United States Department of Labor, Washington 25, D. C.

1. Name of labor organization: _____

2. Address: _____

3. Telephone: _____

4. Date of formation: _____

5. Name of principal officer: _____

6. Name of principal officer: _____

7. Name of principal officer: _____

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97. Name of principal officer: _____

98. Name of principal officer: _____

99. Name of principal officer: _____

100. Name of principal officer: _____

7. A copy of the constitution and bylaws of your organization is required to precede this registration form on this form. If it has not also been submitted with subsequent filings, it has been amended in any way, I must indicate which paragraphs or sections of your constitution and bylaws show the procedure followed with respect to the provisions below. If your constitution does not cover each of the items specified, a declaration explaining the procedure followed by your organization with respect to the items not covered should be attached to this form and marked with the corresponding items numbers.

- (a) Qualifications for membership
- (b) Financial matters and assets
- (c) Grievance procedure with appeal hearings
- (d) Dispute resolution
- (e) Dispute resolution
- (f) Dispute resolution
- (g) Dispute resolution
- (h) Dispute resolution
- (i) Dispute resolution
- (j) Dispute resolution
- (k) Dispute resolution
- (l) Dispute resolution
- (m) Dispute resolution
- (n) Dispute resolution
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- (p) Dispute resolution
- (q) Dispute resolution
- (r) Dispute resolution
- (s) Dispute resolution
- (t) Dispute resolution
- (u) Dispute resolution
- (v) Dispute resolution
- (w) Dispute resolution
- (x) Dispute resolution
- (y) Dispute resolution
- (z) Dispute resolution

8. I hereby certify that the information furnished on this form is true and correct to the best of my knowledge and belief, and that I am a duly authorized officer of the organization named herein.

Printed name of officer: _____
Signature of officer: _____

Organization name: _____

- (1) _____
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- (48) _____
- (49) _____
- (50) _____

I hereby certify that the information furnished on this form is true and correct to the best of my knowledge and belief, and that I am a duly authorized officer of the organization named herein.

Signature: _____
Date: _____

If telegraphic service is requested in connection with this filing it must be at your expense.

EXHIBIT No. 19

W. 6/30/43

Ward Collier

Labor Organization Registration Form

Public Law 101—80th Congress

To: Bureau of Labor Standards,
United States Department of Labor, Washington 25, D. C.

1. Name of organization: *Washington Employees Union*

2. Address: *1014 15th St N.W.*

3. City: *Washington, D.C.*

4. State: *D.C.*

5. Date of formation: *1942*

6. Name of president: *Ward Collier*

7. Name of secretary: *Ward Collier*

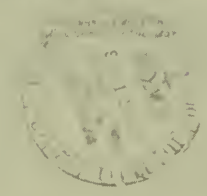
8. Name of treasurer: *Ward Collier*

9. Name of other officers:

10. Name of other officers:

11. Name of other officers:

12. Name of other officers:



13. Name of other officers:

14. Name of other officers:

15. Name of other officers:

16. Name of other officers:

17. Name of other officers:

18. Name of other officers:

19. Name of other officers:

20. Name of other officers:

[Faint, mostly illegible typed text, possibly a letter or report, with some handwritten notes and markings.]

- (1) ...
- (2) ...
- (3) ...
- (4) ...
- (5) ...
- (6) ...
- (7) ...

[Handwritten signature or initials]

[Handwritten signature or initials]

EXHIBIT No. 24A

October 19, 1955

Noah Braunstein, Esq.
475 Fifth Avenue
New York, N. Y.

Re: Auto Glass Dealers Assn. w.
Equitable Research Associates Corp.

Dear Mr. Braunstein:

Pursuant to our contract dated August 18, 1955, I am enclosing herewith check to the order of your client "Equitable Research Associates Corp." in the sum of \$498.80. To date, there have been sixty (60) men signing pursuant to the master contract between the Auto Glass Dealers Association and Local No. 227 U. A. W. -AFL.

Very truly yours,

SL/jmp
Enc.

Stanley Lehrer

NEW YORK 7078 1935 No. 1

CHEMICAL CORN EXCHANGE BANK

102
210

400
1000

Pay to the order of *Chemical Corn Exchange Bank* \$499 ⁸⁰/₁₀₀

James F. ...

DOLLARS

James F. ...

AUTO GENCO MEMBERS ALSO FORM
LABOR ORGANIZATIONS

16

PAY TO THE ORDER
BANK OF THE AMERICAN
COMFORTABLE RESEARCH ASSOCIATES



EXHIBIT No. 24B

December 7, 1955

Noah Braunstein, Esq.
475 Fifth Avenue
New York City, New York

Re: Equitable Research Associates Corp.

Dear Mr. Braunstein:

Pursuant to our contract dated August 18, 1955, I am enclosing herewith check to your client, in the sum of \$199.92.

On October 18, 1955, I sent you a check, in the sum of \$499.80, for 60 men. Since that time and up to November 30th an additional 24 men have been signed.

There are probably another 10 to 15 men who have signed 227 cards, but whose contracts have not cleared through our office as yet. This will probably be reflected in my next statement to you.

Very truly yours,

Stanley Leiber

SL/ck*
Enc.

12/5 1955 No. 2

CHEMICAL CORN EXCHANGE BANK

112
210

MICHAEL'S OFFICE
30 COOPER STREET WASHINGTON WALLS
BRONX, N. Y.

Payable to Equitable Research Associates \$199.22

one hundred ninety nine and 22/100

Equitable Research Associates
Attention: Mr. Philip
100 West 35th Street
New York 18, N.Y.

12

81 PAY TO THE ORDER OF 81
BANK OF THE MANHATTAN COMPANY
EQUITABLE RESEARCH ASSOCIATES CORP.



1-2

EXHIBIT No. 24C

January 10, 1936

Equitable Research Associates Corp.
280 West 57th Street
New York, N. Y.

Re: Auto Glass Dealers Assn., Inc.

Gentlemen:

I enclose herewith check in the sum of \$108.88 representing payment to you in account of contract.

This represents payment for Airplan (131) which was made under the provisions of the master contract and represents the period from November 26, 1935 through January 2, 1936.

Very truly yours,

SL/imp

Staley Lehrer, Counsel

CHEMICAL CORN EXCHANGE BANK

NEW YORK, N.Y. 10038

ACCOUNT NO. 10000000000000000000

Pay to the order of Equitable Research Associates, Inc. 10000000000000000000

*Auto General Dealers Assn
Labor Relations Fund*

81 PAY TO THE ORDER OF 81
BANK OF THE AMERICAN COMPANY
EQUITABLE RESEARCH ASSOCIATES CORP.

APR 20 1953 0420

EXHIBIT No. 26.

Local 227
United Automobile Workers Union

AMERICAN FEDERATION OF LABOR

24 EAST 23RD STREET

NEW YORK 10 N. Y.

PHONE BR 5-1100



EXHIBIT No. 27

DEPT. OF JUSTICE
United States Department of Justice
100 East 100th Street
New York 100, N. Y.

In Re: Auto Glass Dealers Association, Inc.

Gentlemen:

In reply to your letter of May 11th, 1968, please be advised that I have been instructed by my client, the Auto Glass Dealers Association, to inform you that they will not consider entering into any negotiations at the present time with regard to reducing the work week to 40 hours.

Very truly yours,

Stanley Lehrer

Stanley Lehrer
24 East 23rd Street
New York 10, N. Y.

RECEIPT FOR CERTIFIED MAIL—15c

POSTAGE PAID BY ADDRESSEE

9001
AIAW
1000

United Auto Workers Union
Street and no. Local #227
24 East 23rd Street
New York City 10, N. Y.

POSTAGE WILL BE PAID BY ADDRESSEE

Auto Glass

NO 24206

STANLEY LEHRER, Esq.
24 East 23rd Street
Brooklyn, N. Y.

100
104

100
104

EXHIBIT No. 28

THIS IS A
**UNION'S SHOP**

Independent Auto Workers Union 101-A

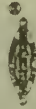


EXHIBIT No. 29A

MOTT HAVEN 5-4323

Independent Auto Workers Union
Local 101-A

JAMES DODGE
BUSINESS AGENT

363 EAST 149TH STREET
NEW YORK 51, N. Y.

EXHIBIT No. 29C

MOTT HAVEN 5-4323

Independent Auto Workers Union
Local 101-A

JACK SICARI
BUSINESS REPRESENTATIVE

363 EAST 149TH STREET
NEW YORK 51 N. Y.

EXHIBIT No. 29B

MOTT HAVEN 5-4323

Independent Auto Workers Union
Local 101-A

ALFRED NAFT
BUSINESS REPRESENTATIVE

363 EAST 149TH STREET
NEW YORK 51, N. Y.

EXHIBIT No. 29D

MOTT HAVEN 5-4323

Independent Auto Workers Union
Local 101-A

CHARLES DISILVIO
PRESIDENT

363 EAST 149TH STREET
NEW YORK 51 N. Y.

EXHIBIT No. 32A

New York, N.Y. *Sept 27* 19 *54* No. _____

BANK OF MANHATTAN COMPANY
 10 WALL STREET, NEW YORK, N.Y.

The Manhattan Company 1-2 / 210

SEP 27 1954
 Cash

PAY TO THE ORDER OF

Two hundred fifteen —

\$ *215.00*

100 DOLLARS

PARAGON BEASS
1 Canal St. New York

Back Bay, Boston

Canal Branch

6503

6503

11-11-54
11-11-54
11-11-54

NO RECEIPT REQUIRED
 RETURN TO BANK OF MANKATON
 THIS CHECK MUST BE PAID TO THE ORDER OF THE BANK OF MANKATON

DATE: 10-18-54
 NVO: 2346
 AMOUNT: \$ 215.00

PARAGON BRASS
 201 FRANKLIN ST
 BROOKLYN 22 N.Y.

PAY TO THE ORDER OF: *Carl*

Two hundred fifteen DOLLARS

Bank of the Manhattan Company
 CHARTERED 1798
 875 MANHATTAN AVENUE
 BROOKLYN
 NEW YORK

40

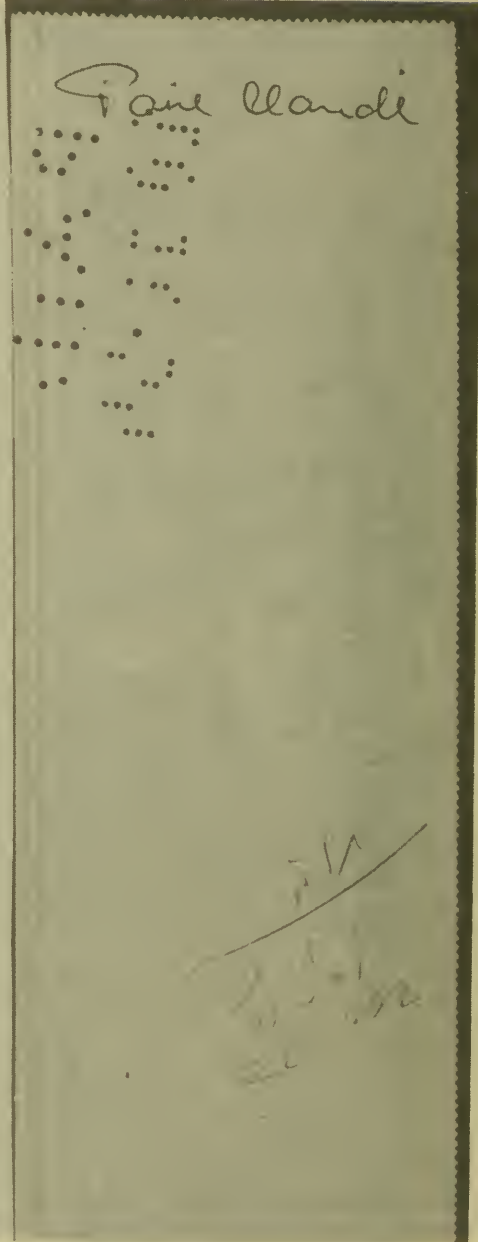
1-2
210

No. 2346

\$ 215.00

PARAGON BRASS

Paul Blaudé



1-320 200

ALBERT GELMAN ASSOCIATES No. 1516
 202 W. 100th STREET
 NEW YORK 18, NEW YORK

New York, Oct 9 1955

Cash \$200.00

Two Hundred and 00/100 DOLLARS

ALBERT GELMAN ASSOCIATES

20462 / 47

TO THE PENNSYLVANIA EXCHANGE BANK
 800TH AVENUE AT 110TH STREET
 NEW YORK

PAY TO THE ORDER OF

*Paul Waude
 for Waude,
 Jayson Wass had me*

PAID IN THE UNITED STATES BY BANK, BANKER OR POST OFFICE

FEB 16 1956

OFFICE OF THE NATIONAL ARCHIVE
 COLLECTOR
 1010 W. 11th St., New York, N.Y.

2

Retained To _____ By _____

The Pennsylvania Exchange Bank
 New York City

Reason Checked

Amount Changed	Signature Missing
Amount Altered	Signature Not as Authorized
Quantity Missing	Witness to Mark
Number Missing	
Drawn Against Limited Funds	
Endorsement Missing	
Blank	
Irregular Form	
File of A. I. Missing	
Maker Deceased	
No Account	
Papers Not on File	

1-2
210

PARAGON BRASS PRODUCTS, INC.

201 FRANKLIN ST

BKLYN 22, N. Y.

4-1 19 55 No. 229

\$ 130.00

DOLLARS

PAY TO THE ORDER OF

One hundred thirty

PARAGON BRASS PRODUCTS, INC.

Bank of the Manhattan Company

Paul Lander

875 MANHATTAN AVENUE
BROOKLYN, NEW YORK

40

TOTAL DISCT NET AMOUNT

ESTABLISHED 1791

NO RECEIPT REQUIRED
RETURN IF NOT CORRECT
THIS CHECK PAYS IN FULL THE FOLLOWING INVOICE

DATE INVOICE AMOUNT

X

Paul Lander

NEW YORK CLEARING INC
 104 55
 APR 17 1935
 NEW YORK NY
 \$ 130.00
 DOLLARS
 THE PUBLIC NATIONAL BANK
 AND TRUST COMPANY OF NEW YORK
 177 EAST BROADWAY
 NEW YORK NY

40 PAY TO THE ORDER OF 40
 BANK OF THE MANHATTAN CO.
 PARAGON BRASS PRODUCTS, INC.
 APR 17 1935 020002
 THE CHASE MANHATTAN BANK
 NEW YORK N.Y.
 9296
 ENDORSEMENT

BANKERS TRUST COMPANY NEW YORK, Successor By Merger To
 RETURNED BY
 The Public National Bank and Trust Company of New York
 Office
 TO 40
 FOR REASONS MARKED X
 THROUGH EXCHANGES BY PERMISSION
 THANK YOU

EXHIBIT No. 36A

L
 No. 127
 470
 55
 55
 55
 DOLLARS
 Fifty-Five
 The Public National Bank
 AND TRUST COMPANY OF NEW YORK
 177 EAST BROADWAY
 NEW YORK N.Y.
 THE PUBLIC NATIONAL BANK AND TRUST COMPANY OF NEW YORK
 NEW YORK N.Y.

40 PAY TO THE ORDER OF 40
 BANK OF THE MIDDLEBURY CO.
 PARAGON BRASS PRODUCTS, INC.
 APR 13 55 0892
 THE CHASE NATIONAL BANK
 NEW YORK N.Y.
 9296
 APR 13 1955
 THE CHASE NATIONAL BANK
 NEW YORK N.Y.

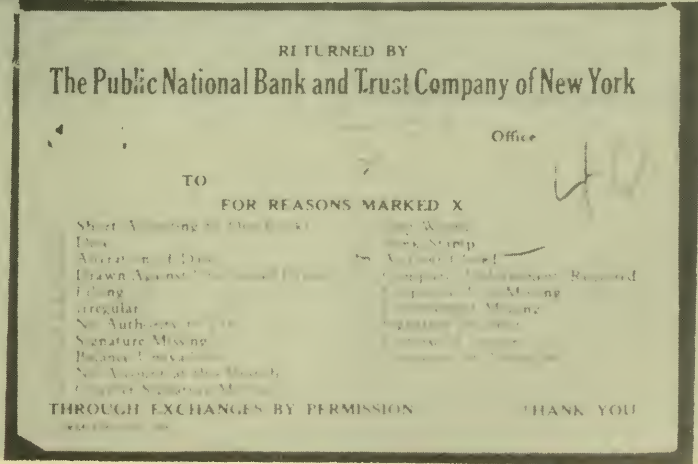
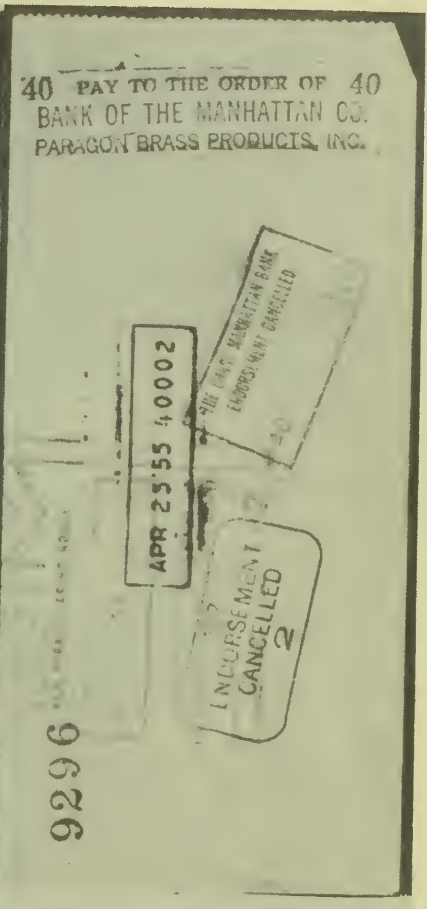
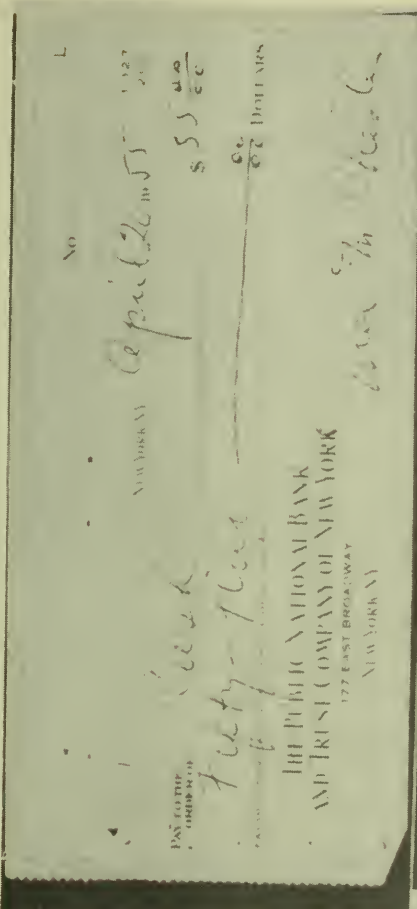
BANKERS TRUST COMPANY NEW YORK, Successor By Merger To
 RETURNED BY
The Public National Bank and Trust Company of New York
 Office
 TO
 FOR REASONS MARKED X
 THROUGH EXCHANGES BY PERMISSION
 THANK YOU

Pay to the order of
 Fifty - 7/100
 \$55.70
 FIFTY AND 7/100 DOLLARS
 NEW YORK, N.Y. APR 13 1935
 THE PUBLIC NATIONAL BANK
 AND TRUST COMPANY OF NEW YORK
 77 EAST BROADWAY
 NEW YORK, N.Y.
 Mrs. W. C. ...

40 PAY TO THE ORDER OF 40
 BANK OF THE MANHATTAN CO.
 PARAGON BRASS PRODUCTS, INC.
 APR 25 55 40002
 ENDORSEMENT
 CANCELLED
 2
 NEW YORK LIBRARY HOUSE
 9296

BANKERS TRUST COMPANY NEW YORK, Successor By Merger to
 RETURNED BY
The Public National Bank and Trust Company of New York
 Office
 TO
 FOR REASONS MARKED X
 THROUGH EXCHANGES BY PERMISSION
 THANK YOU

EXHIBIT No. 36C



(L)

NO

NEW YORK N.Y.

APRIL 27 1955

1-127
210

Cash

Fifty - Five

\$ 55

DOLLARS

Max H. Check

THE PUBLIC NATIONAL BANK
AND TRUST COMPANY OF NEW YORK
177 EAST BROADWAY
NEW YORK N.Y.

PAY TO THE ORDER OF

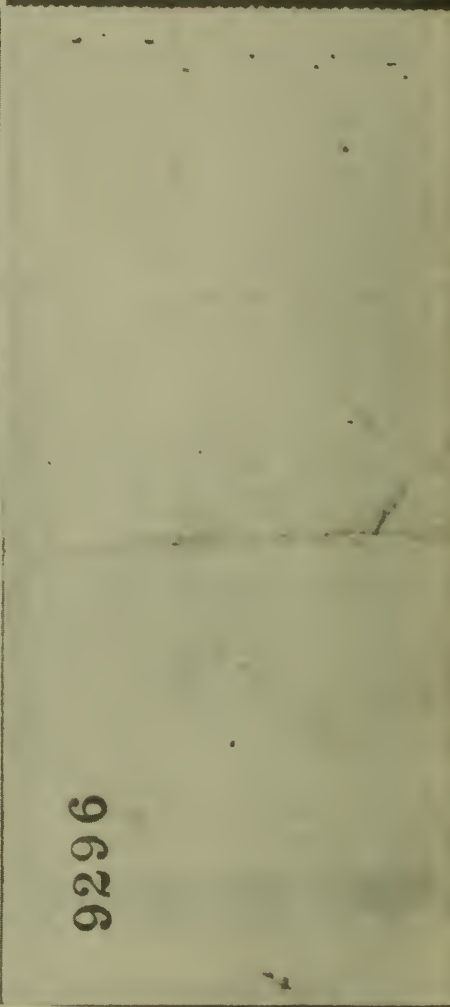


EXHIBIT No. 37

Labor Organization Registration Form

Public Law 101-80th Congress

To: Bureau of Labor Standards, United States Department of Labor, Washington 25, D. C.

Section 8 (a) (1) of the National Labor Relations Act, as amended, requires that the following information be furnished to the Board before the Board takes any action to issue a complaint or to issue an order under the Act. This information is to be furnished to the Board before the Board takes any action to issue a complaint or to issue an order under the Act.

CHECK ONE: For the following information:

- 1. Full name of organization
- 2. Principal business address
- 3. National or state court record for labor disputes

4. (a) List the names of the individuals who are or have been officers or directors of the organization during the preceding twelve months.

- 1.
- 2.
- 3.

(b) List the names of the individuals who are or have been officers or directors of the organization during the preceding twelve months.



5. State if the organization is or has been a labor organization as defined in the Act.

6. The number of members of the organization as of the date of filing this form.

7. The number of members of the organization as of the date of filing this form.

8. The number of members of the organization as of the date of filing this form.

9. The number of members of the organization as of the date of filing this form.

10. The number of members of the organization as of the date of filing this form.

11. The number of members of the organization as of the date of filing this form.

EXHIBIT No. 37A

HAROLD KRIEGER

1000 S. W. 10th St.

Miami, Fla.

Phone 2-5-2111

Member, I. O. O. F.

Member, N. Y. A. S. S. I.



Official Application

For

CHARTER OF AFFILIATION

Under the Jurisdiction of International Union
 United Automobile Workers of America
 Affiliated with the American Federation of Labor

19...

TO THE GENERAL EXECUTIVE BOARD, INTERNATIONAL
 UNION, UNITED AUTOMOBILE WORKERS OF AMERICA —
 GREETINGS:

We herewith make formal application for a Local Union Charter of Affiliation in the International Union, United Automobile Workers of America, to be issued and numbered under the adopted laws of the International Union.

Nature of Work Done Auto Service Trades and Industrial Plants

Name of Firm Amalgamated Charter 224 3

Address 100 York CHARTER WRITE
 SEPT 15 1953
 NO NO STAMPS SENT
 PER A. D.

Number of Employees

We request that the following list of eighteen (18) members be inscribed upon the Charter.

PRINT PLAINLY

<u>Frank Easton</u>	<u>Oliver Jackson</u>	<u>Louis Axelrod</u>
<u>Leonard Prince</u>	<u>Faith Grey</u>	<u>Thadious Washington</u>
<u>Ben Mandel</u>	<u>Sam Griffin</u>	
<u>Stanley Seglin</u>	<u>Donald Francis</u>	
<u>Richard Easton</u>	<u>John Schneller</u>	
<u>Robert Sauer</u>	<u>Edward Sanlor</u>	
<u>John Schwartz</u>	<u>Daniel Teans</u>	
<u>Josaph Senzon</u>	<u>Frank Patterson</u>	
<u>Jack Senzon</u>	<u>Abe Patterson</u>	



Fraternally submitted,

International Representative

Approved

Regional Director



224-3

sent 4/9/53
Richard
246

EXHIBIT No. 39

APPLICATION FOR CHARTER

IN THE

International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America

HEADQUARTERS

100 Indiana Ave., N. W. Washington 1, D. C.

JOHN F. ENGLISH, General Secretary-Treasurer

Charter dated
November 8,
1955
Ch sent to Mr. Roub
15 rec'd

City New York, New York

Date November 8, 1955

We, the undersigned Wage-Workers, believing it to be well calculated to improve our economic and social condition and promote our industrial well being and advancement, respectfully petition the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America to grant a Charter to us as representatives of:

Proposed Name of Organization Warehouse and Processin.
(Name should include type of craft and workers to be covered.)

Jurisdiction Greater New York Area, New York
(City or Cities) State

Business Address 1780 Broadway Street New York, New York
(City and State)

Anticipated number of members in Local Union _____ Business Phone No. _____

We hereby pledge ourselves, individually and collectively, to be governed by the Constitution, Rules and Usages of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, with the reserved right to preserve the autonomy or self-government of our own organization, subject to such rules and regulations as may be made, or are now established in our organization as above named.

Name of Organizer _____ Address _____

Name of President _____ Address _____

Name of Secretary-Treasurer Joseph Burch Address _____

NAMES OF APPLICANTS

ADDRESSES

1 Frank Easton _____

2 Robert Bauer _____

3 Stanley De 110 _____

4 Harold Tolson _____

5 Richard Easton _____

6 Joseph Boutti _____

7 _____

8 _____

(PLEASE TYPE OR PRINT LEGIBLY NAMES OF APPLICANTS)

Use additional sheets when necessary. Send names of all charter members with this application.

(OVER)

EXHIBIT No. 40

WAREHOUSE AND PROCESSING EMPLOYEES UNION
LOCAL 362

International Brotherhood of Teamsters, Chauffeurs, Warehousemen & Helpers of America

119 WEST COLUMBIA STREET

HEMPSTEAD, L. I.

IVANHOE 1-9112

ALIGNED WITH
AMERICAN
FEDERATION
OF LABOR



December 1, 1955

Joint Council #16
Martin T. Lacey, President
365 West 14th Street
New York, New York

Dear Sir & Brother:

I am enclosing a listing of titles and officers of our Local Union #362, and requesting that we may be seated as delegates to Joint Council #16.

Sidney Hodas	President
Martin Schlanger	Vice-President
Abraham Brier	Secy.-Treas.
George Musica	Recording-Secy.
Stanley Seglia	Trustee
Joseph Infantino	Trustee
Merry Stein	Trustee

Fraternally,

Abraham Brier

Abraham Brier
Secy.-Treas.

AB:to

EXHIBIT No. 40A

APPLIANTS WITH
AMERICAN
PROBATION
PLATE



WAREHOUSE AND PROCESSING EMPLOYEES UNION
LOCAL 362

International Brotherhood of Teamsters, Warehousemen & Helpers of America
119 WEST COLUMBIA STREET HEMPSTEAD L.I. (VANHOE 1-9112)

February 2nd, 1936.

Joint Council #16, I. O. of T.
265 West 11th Street
New York 11, N. Y.

Dear Sir Brother:

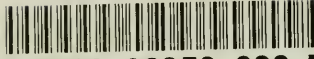
This will certify that the bearer _____
is an Executive Board member of our Local Union #362, and is eligi-
ble to vote in the Joint Council election.

Fraternally yours,

Abraham Brier, Secy. Treas.

Wiko

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